



Daily Report

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Daily Report

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15 June 1992

NOTICE TO READERS: An * indicates material not previously disseminated in electronic form.

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General

More Reportage on Environmental Summit in Rio

Li Peng Issues Statement

CM12061911092 Beijing XINHUA Domestic Service
in Chinese 1601 GMT 12 Jun 92

["Text" of speech by Premier Li Peng at the summit meeting of the UN Conference on Environment and Development in Rio de Janeiro on 12 June]

[Text] Rio de Janeiro, June 12 (XINHUA)—Mr. Chairman, your excellencies, Mr. Secretary General, ladies and gentlemen, friends:

The convocation of the United Nations Conference on Environment and Development is a major event which has attracted worldwide attention. It is the first time since the founding of the United Nations for so many state leaders to meet here to discuss ways to deal with problems of global environment and development. I would like to extend, on behalf of the Chinese Government and people, our warm congratulations to the conference, our heartfelt thanks to the Brazilian government and the preparatory committee for the efforts they have made for the smooth convocation of the conference, and to pay a high tribute to the ministerial meeting for its fruitful work. I would also like to take this opportunity to convey the cordial greetings of the Chinese people to the people of our host country, Brazil.

Environment and development are two current major concerns of the international community. Through its arduous efforts of many years, especially those made since the industrial revolution, mankind has made brilliant achievements in transforming nature and developing economy. Yet neglect of environment in the course of industrialization, particularly the irrational exploitation and utilization of natural resources, has caused global environmental pollution and ecological degradation, posing a real threat to the survival and development of mankind. It is therefore an urgent and formidable task for all countries around the world to protect the ecological environment and maintain a sustainable development. The convocation of this conference conforms to the call of the times and the aspirations of the peoples of the world. It will once again sound a warning of an environmental crisis to the international community, and provide a forum for exploring ways to solve global environmental and development problems. It will turn a new page in the world history of environmental protection and development.

Mr. Chairman:

In recent years, dramatic changes have taken place in the international situation, and the world is in a historical period of transition from the old world pattern to a new one. This presents the international community with difficulties and challenges, as well as hopes and opportunities. The cold war is over and the confrontation

between the two military blocs of the East and the West has dissipated. But the equilibrium in the world has been disrupted; conflicts and destabilizing factors have increased; and hegemonism and power politics still exist. On the one hand, developed countries are getting richer, on the other hand, many developing countries are getting poorer. All this shows that the two lasting major issues of peace and development facing the world people have not yet been resolved. The Chinese Government maintains that a new international political and economic order that is just, rational, equal, and mutually beneficial should be established according to the purposes and principles of the UN Charter, and particularly to the principles of mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit and peaceful co-existence. This would be a guarantee for world peace and development and a vital prerequisite for resolving environmental and development problems.

Mr. Chairman:

Environmental protection and economic development bear on the future and destiny of mankind, and affect each country, each nation and indeed each individual. Therefore, solution to these two global issues calls for extensive and effective international cooperation. The current conference, the two important instruments to be adopted—the Rio Declaration and Agenda 21—and the two conventions to be signed—the convention on climate change and the convention on biological diversity—will lay a good foundation for an enhanced international cooperation in this area. With a view to achieving in all its aspects the goal of strengthening international cooperation as set forth at this conference, the Chinese Government would like to put forward the following propositions for discussion with other participants:

—Economic development should be pursued in parallel with environmental protection. Economic development is essential for the very survival and progress of mankind. Furthermore, it provides a material guarantee for the protection and improvement of the global environment. For many developing countries, their primary task is to develop economy and eliminate poverty. Their reasonable and urgent needs should be taken into full consideration when we try to tackle the question of global environment. The international community should take practical steps to improve the position of developing countries with regard to debt, trade, finance, etc. and help them with their economic development. On the other hand, no country can afford to develop its economy in disregard of its pressure on environment. It is, therefore, imperative to work out a development strategy that will ensure a virtuous cycle of the eco-system so as to attain a balance between economic growth and environmental protection.

—To protect the environment is a common task of mankind as a whole. However, economically developed countries bear a greater responsibility. As mankind share one earth and environmental problems sometimes transcend national and regional boundaries, a global approach is in the common interest of all countries and regions. Historically, environmental problems stemmed mainly from the excessive consumption of natural resources and massive discharge of pollutants by developed countries in the course of their industrialization. Even today, their consumption of natural resources and discharge of pollutants, whether in terms of total volume or per capita share, far exceed developing countries. Therefore, they should assume major responsibility for the deterioration of the global environment. Furthermore, they have greater economic strength and more sophisticated technologies for environmental protection. It is only natural for them to undertake a greater obligation for its solution. They should provide developing countries with new and additional funds and transfer technologies of environmental protection under concessional terms to help the latter improve their own environment and participate in the protection of the global environment. This is only wise for developed countries to do, for it serves their own interests as well as those of developing countries.

—International cooperation should be based on respect for state sovereignty. All countries, large and small, rich and poor, strong and weak, are entitled to participate in international activities relating to environment and development on an equal footing. Issues concerning global environment and development should be solved in such a manner as not to prejudice a state's independence and sovereignty. Each country enjoys sovereign rights over its natural resources and biological species. It has the right to draw up its own strategies for environmental protection and development in the light of its national conditions and adopt corresponding policies and measures. At the same time, no country should tap and exploit its natural resources to the detriment of the environment of other countries.

—Environmental protection and economic development would be impossible without world peace and stability. Wars and turbulence will not only inflict heavy losses on lives and property, but also cause serious degradation to the eco-environment. While promoting world environmental protection and development, all countries should endeavor to maintain stability at home, safeguard world and regional peace, settle all disputes through peaceful negotiation instead of resorting to force or threat of force.

—In tackling environmental problems, consideration should be given to both the immediate interests of various countries and the long-term interests of the whole world. At present, while paying attention to such global environmental questions as climate change and bio-diversity, one should give priority to

addressing the problems of environmental pollution and ecological degradation in developing countries like soil erosion, desertification, diminished vegetation, droughts and floods. Solution to these problems will not only remove a serious threat to the environment and development of developing countries, but also contribute significantly to the protection of global environment and economic growth. The international community should understand and support the reasonable demands of developing countries in this regard.

Mr. Chairman:

China has been pursuing economic development as its central task and adhering to the policy of reform and opening-up in its socialist modernization drive. It now enjoys sustained economic growth, political stability and national harmony and unity. The living standards of the people keep improving. We in China pay much attention to environmental protection in the course of economic development. We have made environmental protection one of our basic state policies and made unremitting efforts towards this end. In light of the country's actual conditions, we have devised a strategy of synchronized planning, implementation and development in terms of economic development, urban and rural construction, and environmental protection, a strategy that would bring harmony of economic, social and environmental returns. We have adopted three major principles, i.e. to put prevention first, to hold those who cause pollution responsible for cleaning up and to strengthen environmental control and management. We have improved the legal system in respect of environmental protection and set up relevant organs at various levels and an inter-ministerial coordination agency at the national level. We have pooled the efforts of various quarters to clean up urban environment and to prevent and control industrial pollution. We have conducted extensive education in environmental protection to awaken the whole nation to its importance. We have vigorously promoted scientific and technological research on environment. Meanwhile, we have launched a large-scale soil improvement campaign, which includes building shelterbelts along river banks, coastal areas and in areas prone to sandstorms. The northern shelterbelt, which is as long as 4,480 kilometers, has become a green great wall against the southward invasion of sandstorms. More than 600 nature preserves have been set up in China, covering an area of 400 thousand square kilometers and providing effective protection to a large number of rare wild animals and plants. In addition, China's family planning helps ease off the tremendous pressure of population growth on environment. In the past decade or more since the introduction of reform and opening-up program, China's GNP has more than doubled. Yet the quality of China's environment has remained basically stable, or even improved in some areas. Our environment and development strategy suited to China's conditions has proved to be successful. However, China is a developing country and its economic strength is limited. Like many

other developing countries, China regards it a long-term, arduous task to address issues concerning economic development and environmental protection.

Mr. Chairman:

China's environmental problems are part and parcel of the global problems. China is keenly aware of its responsibility and role in the protection of the earth's ecosystem. So it has attached importance to and taken an active part in the UN-sponsored discussions concerning environment and development. It has signed a number of relevant international conventions or agreements. Last year, China hosted the ministerial conference of developing countries on environment and development, at which Beijing declaration was adopted. This is a positive contribution China and other developing countries have made to the promotion of world environmental protection and development. We have also established China environment and development international cooperation committee composed of well-known Chinese and foreign figures who offer advice in these two areas. This gives expression to China's sincerity and resolution in tackling the environment and development issues. We will further implement the policy of reform and opening up, actively assimilate and draw on all achievements of human civilization, accelerate the pace of economic growth, and at the same time do a good job in our environmental protection. We stand ready to undertake international responsibilities and obligations compatible with our development level and expand international cooperation in the world environmental protection and development.

Mr. Chairman:

There are a lot to be done and many difficulties to be surmounted in environmental protection and development. But I am convinced that, as long as all countries help each other like passengers in the same boat, conduct fruitful cooperation and work hard, it is possible to protect the global environment and expand economy at the same time so that the earth will become a beautiful homeland where people can live and work happily together.

Thank you.

Attendees Applaud Speech

OW1306102092 Beijing XINHUA Domestic Service
in Chinese 0652 GMT 13 Jun 92

[By reporters Wang Chunrong (3769 2504 2837) and Zeng Hu (2582 5706)]

[Text] Rio de Janeiro, 12 June (XINHUA)—Premier Li Peng solemnly made known to the world today China's stand on issues about the environment and development. His speech to the leaders of 118 countries who are gathering here to discuss these important issues was warmly applauded at the meeting.

After several days of intensive work, the ministerial meeting of the United Nations Conference on Environment and Development has made some headway in many areas, but it still has to discuss other issues such as financial resources needed for environmental protection. Thus, people inside and outside the meeting focused their attention on the summit meeting today, and the stand and proposal of China, which accounts for over one-fifth of the world's population, naturally became the target of attention of attendees and reporters.

At today's meeting, leaders from 56 countries took the floor over a period of 390 minutes. Because of this, the meeting organizers urged the speakers to make their speeches concise and comprehensive. Premier Li Peng, who flew here yesterday, was 14th on the list to speak. At approximately 1150, after the president of Iceland spoke, Premier Li Peng walked up to the lectern on one side of the rostrum. When he began to speak, he immediately pointed out that broad and effective international cooperation is essential for solving the world's environmental and developmental problems. In this connection, Premier Li Peng, speaking on behalf of the Chinese Government, presented a five-point proposal which he said he was ready to discuss with representatives of other countries. He said: Economic development must be coordinated with environmental protection; protecting the environment is a common task for the entire human race, but economically developed countries should bear greater responsibilities; strengthening international cooperation should be based on respect for sovereignty; environmental protection and development are inseparable from world peace and stability; and when environmental problems are handled, attention should also be directed to various countries' real and practical interests and the world's long-range interests.

Premier Li Peng's speech lasted about 10 minutes. After he spoke, the audience applauded warmly. Warm applause also exploded from among reporters and other personnel who listened to Li Peng's speech from television monitors outside the conference hall. Reporters from various countries also asked the Chinese delegation for scripts of Li Peng's speech, and China's stand and proposal on the environment and development were immediately transmitted all over the world via air waves.

After hearing Premier Li Peng's speech, a Latin American country representative told us that China's viewpoints on the environment and development are identical or similar to those of many countries in the south in many ways. He added that China's positive stand and practical approach will contribute to the success of the summit.

Li Gives 'Working Dinner'

OW1406033292 Beijing XINHUA in English
0311 GMT 14 Jun 92

[Text] Rio de Janeiro, June 13 (XINHUA)—Chinese Premier Li Peng gave a working dinner here this evening in honor of leaders from eight developing countries.

During the dinner, which was held at Hotel Copacabana Palace where the Chinese premier is staying, Li called in his speech for increasing south-south cooperation.

Li arrived here Thursday to attend the summit session of the United Nations Conference on Environment and Development (UNCED), which is coming to its conclusion Sunday.

Those who attended the dinner were Cuban President Fidel Castro Ruz, Namibian President Sam Nujoma, Nepalese Prime Minister Gijja Prasad Koirala, Mauritanian President Maaouiya Ould Sid'Ahmed Taya, Deputy Prime Minister of the Democratic People's Republic of Korea Kang Hui-won and leaders from Western Samoa, Slovenia, and Suriname.

Li Peng had cordial and friendly talks with the guests on bilateral relations and a wide range of international issues.

Reports Deng in 'Good Health'

OW1406083892 Beijing XINHUA Domestic Service
in Chinese 0454 GMT 14 Jun 92

[By reporters Wang Chunrong (3769 2504 2837) and Zeng Hu (2582 5706)]

[Text] Rio de Janeiro, 13 June (XINHUA) —On 13 June, State Council Premier Li Peng met with Prime Minister Ruud Lubbers of the Netherlands at the Rio-centro conference hall, site of the United Nations Conference on Environment and Development (UNCED). The two leaders expressed the wish to further develop cooperative relations between the two countries.

During the meeting, Li Peng said: With the deepening of China's reform and opening wider to the outside world and the growth of its economy, economic cooperation between China and the Netherlands will be developed continuously.

He said: The joint ventures established in China by the Netherlands are relatively successful. China is willing to further develop its economic and trade relations with the Netherlands, China's fifth largest trading partner.

Lubbers said that he was pleased with the development of bilateral economic cooperation between the Netherlands and China. He believed that prospects for such cooperation were good.

The two government leaders also exchanged views on international issues, including the European situation. Lubbers said that the current international situation, especially the situation in Europe, is undergoing profound changes. He believed that China's stand and proposals at the United Nations Security Council were reasonable.

He also pleasantly recalled his three visits to China since 1973, particularly the visit 10 years ago when he had the honor to meet Deng Xiaoping. At that time, Deng

Xiaoping said to him: "You have become a prime minister when you are so young—how amazing!" The prime minister said that the praise and words of encouragement are still fresh in his memory. He asked Li Peng to convey his regards to Deng Xiaoping.

Li Peng said that he would definitely do so, adding that Deng Xiaoping is in good health, and that although he is not in public office, the guiding principles, lines, and policies initiated and formulated by him still play a very important role in the life of the country. His line and thoughts constitute an invaluable wealth to us.

Speaks With Bush at Summit

OW1406031792 Beijing XINHUA in English
0301 GMT 14 Jun 92

[Text] Rio de Janeiro, June 13 (XINHUA)—Chinese Premier Li Peng attended here today a luncheon hosted by Brazilian President Fernando Collor de Mello in honor of the heads of state and government participating in the Earth Summit.

The summit session of the ongoing Earth Summit, officially called the United Nations Conference on Environment and Development (UNCED), started Friday and was attended by heads of state and government from about 120 countries, the largest ever gathering of world leaders in human history.

During the luncheon, Li Peng had friendly talks with U.S. President George Bush, German Chancellor Helmut Kohl, President of the Commission of the European Community Jacques Delors, Peruvian President Alberto Fujimori, Canadian Prime Minister Brian Mulroney, Indonesian President Suharto, and others.

After the luncheon, Li attended a round-table meeting attended by the world leaders at the UNCED summit session.

Li, Major Discuss Hong Kong

OW1306010592 Beijing XINHUA in English
0011 GMT 13 Jun 92

[Text] Rio de Janeiro, June 12 (XINHUA)—Chinese Premier Li Peng met here today with British Prime Minister John Major and discussed with him Hong Kong issues.

According to a Chinese Foreign Ministry official, Li emphasized during the 70-minute meeting that the Sino-British Joint Declaration on Hong Kong and the Memorandum of Understanding concerning the construction of the new airport in Hongkong and related questions established the principles and framework for China and Britain to consult and cooperate with each other during the transitional period.

Acting in accordance with these principles would help guarantee the long-term stability and prosperity of Hongkong and, at the same time, a steady transition and a smooth transfer of Hong Kong to China in 1997.

Major said that Britain attached importance to continued consultation and cooperation with China on matters concerning Hong Kong.

Britain would abide by the Sino-British joint declaration and the memorandum, and would carry out its commitments, Major said.

Both Li Peng and Major are here attending the summit of the United Nations Conference on Environment and Development, which attracted heads of state and government from about 120 countries, making it the largest ever gathering of world leaders in human history.

Says Argentina, Beijing Share Views

*OW1306020792 Beijing XINHUA in English
0120 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—Chinese Premier Li Peng met with Argentine President Carlos Saul Menem here today and said the two countries hold similar points of view on many international issues.

Li Peng said China and Argentina held quite a number of similar viewpoints in environment and development areas.

The Chinese premier is here for the ongoing Earth Summit, or officially known as the United Nations Conference on Environment and Development (UNCED).

He noted that Chinese President Yang Shangkun's visit to Argentina and President Menem's return visit to China have greatly promoted the development of relations between the two countries.

He expressed his hope that Sino-Argentine relations would be further developed in various fields.

Menem said the friendly relations between China and Argentina have witnessed new developments since the Argentine tour by President Yang Shangkun two years ago.

The Argentine Government welcomes other Chinese leaders to visit Argentina, he said.

Li Peng expressed his gratitude to the support by the Argentine Government for restoring China's status of a founding nation of the General Agreement on Tariffs and Trade (GATT).

He also thanked the Argentine Government for its assistance for Chinese Antarctic expedition team's activities.

Beijing, Chile To Strengthen Ties

*OW1306022392 Beijing XINHUA in English
0129 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—China and Chile agreed here today that they should strengthen cooperation in world affairs.

The agreement was reached during a meeting between Chinese Premier Li Peng and Chilean President Patricio Aylwin.

Li said that new development had been achieved in relations between China and Chile since Chinese President Yang Shangkun visited Chile two years ago.

China would like to foster friendly and cooperative ties with all the South American nations, including Chile, he said.

Both developing nations with common view points in many areas, China and Chile should strengthen their cooperation in bilateral and multilateral diplomacy, Li stressed.

Aylwin said his country shared the same aspiration because closer Sino-Chilean ties would benefit both countries.

The president also sought for China's support for a Chilean initiative for convening a world summit conference on social development in 1995.

Li said China would hold a positive attitude towards the plan.

Li Calls for Better Malaysian Ties

*OW1306032692 Beijing XINHUA in English
0308 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—Chinese Premier Li Peng called here today for concerted efforts by China and Malaysia to tap the potential for better bilateral ties.

Li made the call during his meeting with Malaysian Prime Minister Datuk Seri Mahathir bin Mohamed here at the Riocentro, site of the current United Nations Conference on Environment and Development (UNCED).

The Chinese premier said to Mahathir that there remained a great potential for developing Sino-Malaysian ties and he hoped for common efforts by the two countries to tap it.

In recent years, the two countries had well kept the good momentum of development in their bilateral ties, Li said, adding that China appreciated Prime Minister Mahathir's positive efforts to make it possible.

Noting that this year has seen greater growth in trade between the two countries, Mahathir said the Malaysian Government encouraged the country's entrepreneurs to invest and do business in China.

He said his country wanted to see an economically prosperous East Asian region, for it would constitute the best guarantee for peace in the region.

Li Peng said China was positive to the Malaysian prime minister's idea for convening an economic conference of East Asia.

The establishment of an open and nonexclusive mechanism would be conducive to the regional development, he added.

Against the backdrop of the turbulent world situation and sluggish economy, Li observed that the fact of a relatively stable eastern Asia with economic growth pointed to the possibility of fast economic development in the region.

Salinos, Li View Relations

*OW1306231992 Beijing XINHUA in English
2213 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 13 (XINHUA)—Chinese Premier Li Peng met here today with Mexican President Carlos Salinos de Gortari and the two leaders expressed their satisfaction with the development of bilateral ties.

Li, who came here Thursday for the summit session of the United Nations Conference on Environment and Development (UNCED), said relations between China and Mexico have been developing smoothly in the 20 years since the establishment of diplomatic ties between the two countries.

He said that China is willing to strengthen its cooperation with Mexico in various fields, especially economy and trade.

Salinos de Gortari said his country is satisfied with the development of relations with China. He hoped that the relations could be strengthened further.

During their talks, the two leaders also briefed each other about the development of their respective countries.

Romanian Friendship 'Long-Lasting'

*OW1306031892 Beijing XINHUA in English
0256 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—Chinese Premier Li Peng, in his meeting with Romanian President Ion Iliescu today, said the friendship between the Chinese and Romanian peoples is a long-lasting one.

Li Peng told Iliescu at the Riocentro, site of the ongoing United Nations Conference on Environment and Development (UNCED), that China is willing to develop friendly and cooperative relations with Romania.

China advocates the strengthening of Sino-Romanian economic relations, Li said.

Besides official trade, he added, it is more important to encourage direct exchanges and cooperation between enterprises in both countries.

Iliescu noted that the Sino-Romanian relations have been maintained and developed since his last visit to China.

His government has been satisfied with the cooperation between the two countries in handling international affairs, Iliescu added.

He expected that the economic and financial circles in China and Romania would further their contacts to explore the ways for expanding cooperation.

Sino-Pakistani Cooperation 'Important'

*OW1306043292 Beijing XINHUA in English
0408 GMT 13 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—Chinese Premier Li Peng said here today that it was important for China and Pakistan to strengthen their cooperation and consultation in the current turbulent world situation.

Li made this remark when he was meeting with Pakistani Prime Minister Nawaz Sharif this afternoon.

Reiterating that China attaches importance to developing ties with neighboring nations, Li said he was pleased to see that the friendly and cooperative relations between China and Pakistan had withstood the test of the time.

He stressed that under the current volatile world situation, China and Pakistan were facing common challenges, and, therefore, it was extremely important for the two countries to increase the cooperation and consultations between them.

Sharif said his country cherished very much its friendship and cooperation with China and hoped that such a relationship would be further strengthened in the future.

He thanked Premier Li for inviting him to visit China in October this year.

Li said he was looking forward to having Sharif in Beijing to discuss in depth an extensive range of issues of common concern.

Li and his Pakistani counterpart are now here attending the summit session of the ongoing United Nations Conference on Environment and Development.

Castro Speaks at Summit

*OW1306003592 Beijing XINHUA in English
2346 GMT 12 Jun 92*

[Text] Rio de Janeiro, June 12 (XINHUA)—Mankind, an important biological species, is in danger of being wiped out by the rapid liquidation of his natural living conditions, warned Cuban President Fidel Castro in an eloquent speech here today.

"We are becoming aware of this problem just when it is almost too late to prevent it," said Fidel Castro at the general assembly of the U.N. Conference on Environment and Development.

The Cuban leader accused what he called "consumer societies" of being fundamentally responsible for the atrocious destruction of the environment. "Those societies arose from ancient colonial metropolitan states and imperial policies which engendered the backwardness and poverty that are today afflicting the immense majority of mankind," he added.

Castro said that, with only 20 percent of the world's population, these societies consume two-thirds of the metals and three-fourths of the energy being produced in the world. Furthermore, they have poisoned the seas and the rivers, polluted the air, weakened and perforated the ozone layer, and saturated the atmosphere with gases that alter the climatic conditions with catastrophic consequences.

In a strong voice he affirmed: "It is not possible to blame this on Third World countries—yesterday they were colonies and today they are nations exploited and plundered by an unjust world economic order."

He commented that the solution does not lie in impeding development for those most in need of it. The truth is that everything that contributes to underdevelopment and poverty constitutes a flagrant violation of ecology, he noted.

"If we are to save mankind from this self-destruction, a better distribution of the wealth and technology that are available on the planet must be made," stressed the Cuban president.

"There must be less luxury and less wastefulness in a few countries so that there will be less poverty and less hunger for a large part of the earth," exhorted Fidel Castro.

He also favored less transference to the Third World of life styles and consumption habits that ruin the environment. "Make human life more rational, apply a just international economic order and use all the necessary sciences for sustained development without contamination," proposed Castro.

"Pay the ecological debt, not the foreign debt," he emphasized.

"When the supposed threats of communism have disappeared and there are no more pretexts for cold wars, arms races and military acts, what is stopping us from dedicating our resources immediately to fostering development in the Third World and combating the threat of ecological destruction of the planet?" queried the Cuban president.

And to close his speech, Fidel Castro made a call to "end selfishness, hegemonism, insensitiveness, irresponsibility and deceit." "Tomorrow will be too late to do what we should have done a long time ago," he reiterated.

Fidel Castro, in his customary military uniform, was interrupted twice by applause from representatives during his speech that barely lasted 4 minutes and 58 seconds.

Delegation Hails 'Success'

OW1406190592 Beijing XINHUA in English
1857 GMT 14 Jun 92

[Text] Rio de Janeiro, June 14 (XINHUA)—The Chinese delegation said here today it is pleased with results of the United Nations Conference on Environment and Development (UNCED).

Song Jian, head of the Chinese delegation, congratulated the conference for its success after its final session adopted "Rio Declaration" and "Agenda 21" this morning.

He thanked Brazilian President Fernando Collor de Mello, also president of UNCED, for his role in hosting the largest ever international gathering of the kind.

The UNCED has made "arduous but fruitful efforts" to meet the challenge facing the world in a time of increased awareness by mankind on environmental issues, he said.

If one assumes that the conference has not achieved a greater success that is supposed to be, Song success said, it is because that mankind has to progress step by step.

However, he noted, that the UNCED is a good beginning for future successes.

Column Views Earth Summit

OW1406124592 Beijing Central People's Radio
Network in Mandarin 0500 GMT 14 Jun 92

[By anchorwoman Wang Mei of the Sunday column "Around the World"; from the "International News and Current Events" program]

[Excerpt] Dear listeners and friends, the United Nations Conference on Environment and Development [UNCED], which has become the focus of world attention, is going on in the International Conference Center in Rio de Janeiro, Brazil, at the moment. Delegations from more than 180 countries are attending this unprecedentedly grand occasion in the history of mankind. I would like to talk about this conference during the program today.

The UNCED opened on 3 June. China sent a high-level delegation led by Song Jian, state councilor, minister of the State Science and Technology Commission, and chairman of the Environmental Protection Committee of the State Council, and Qu Geping, director of the State Environmental Protection Bureau, to attend the

conference. The UNCED held a summit between 12 and 14 June. Premier Li Peng attended the summit and delivered an important speech on the principled stand taken by the Chinese Government on the issue of the environment and development. All these actions show the positive attitude adopted by the Chinese Government toward the UNCED and the importance attached by China to the environment and development. During general debates in the preliminary phase of the conference, delegates from many countries and international organizations took the floor, expounding on the close interrelationship between the environment and development and calling for sincere cooperation in addressing environmental and developmental problems.

Song Jian, leader of the Chinese Government delegation, addressed the plenary session on 8 June, setting forth China's principled stand on establishing a new global partnership. Establishing a new global partnership was a call issued by the Preparatory Committee of the UNCED and is included in the Rio Declaration on the Environment and Development adopted by the conference. Song Jian pointed out: The Chinese Government maintains that a new global partnership must be established on a firm basis and that the basis must fully represent a common understanding reached by all members of the international community in the environmental and developmental spheres, and, in particular, must incorporate the following five basic principles. First, a new global partnership should try to promote cooperation among all members of the international community in preserving, protecting, and restoring the earth's ecology as well as in expediting economic development. Economic development is the prerequisite for protecting ecological [words indistinct] and the environment. Second, the new global partnership must be established on the basis of the norms of international relationships—namely, respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence. Third, the new global partnership must be fair and just. Fourth, efforts must be made to properly solve existing environmental problems, and, in particular, problems related to [words indistinct] and technology transfer. Fifth, all members of the international community must take an active and effective part in the partnership. The new global partnership cannot be established without effective participation by the developing countries. In his speech, Song Jian said China will work successfully to protect the environment and will make contributions to all mankind.

A weather change framework treaty and a treaty on [words indistinct] protection of living things were signed during this period of the UNCED. Premier Li Peng himself signed the two treaties on behalf of the Chinese Government on 11 June. [passage omitted]

Declaration Calls for 'Partnership'

OW1406221192 Beijing XINHUA in English
1946 GMT 14 Jun 92

[Text] Rio de Janeiro, June 14 (XINHUA)—Rio Declaration, one of the two major documents adopted today at the end of the United Nations Conference on Environment and Development (UNCED), called for the establishment of a new and equitable global partnership among states and people in protecting the environment to achieve a sustainable development.

The 27-principle document, approved by more than 100 heads of state or government, is unprecedented in U.N. history to deal with environmental and developmental issues, the great challenge mankind faces today.

The declaration says that states have the sovereign right to exploit their own resources pursuant to their own environmental and developmental policies.

It acknowledges the right to development, the eradication of poverty, the special situation and needs of developing countries.

It stresses the developed countries' responsibility that they should bear in the international pursuit of sustainable development in view of the technologies and financial resources they command.

The declaration sets principles on environmental legislation; the reduction and elimination of unsustainable patterns of production and consumption; the promotion of appropriate demographic policies; the necessity of technology transfer; the encouragement of public awareness and participation by women, youth and indigenous people.

It also says that the environment and natural resources of people under oppression, domination and occupation shall be protected.

"Peace, development and environmental protection are interdependent and indivisible," Rio Declaration stresses.

'Roundup' Summarizes Summit

OW1506062892 Beijing XINHUA in English
0548 GMT 15 Jun 92

["Roundup" by Yu Chengzhi: "UNCED, Starting Point of Mankind's Search for Sustainable Development"]

[Text] Rio de Janeiro, June 14 (XINHUA)—The United Nations Conference on Environment and Development (UNCED), which concluded here today, is of far-reaching significance for global cooperation in environment and development beyond 1992 until the 21st century.

The focus of the conference is environmental and developmental issues, which will influence mankind's survival on this planet.

Delegates from 172 countries and over 100 heads of state and government took part in the unprecedented conference.

The conference opened on June 3 and followed with 14 sessions of general debate. The summit segment started on June 12 with all world leaders speaking at the forum, where they expounded their own basic positions on environment and development.

The conference adopted two major documents, the Rio Declaration and Agenda 21 and the declaration on forest principles. During the conference, the convention on climate change and the convention on biological diversity were also opened for signature. 153 countries have signed the two conventions so far.

All participants of the conference expressed concern over the global issues of environment and development, hoping to increase the environmental awareness of all governments and people all over the world.

The conference called for urgent and practical action in international cooperation to check the deterioration of the earth's ecosystem.

The environmental and developmental issues in developing countries should be given urgent first priority as poverty is the root cause of environmental degradation.

Developing countries demand respect for their right to development and state sovereignty in view of their special situation.

The developing countries believe that the developed nations should bear the primary responsibility and should provide financial resources and technology transfer on concessionary terms to protect the environment for sustainable development.

Major developed nations expressed their interest in global cooperation in this regard. Britain, Germany and France pledged new and additional funds for development aid to developing countries.

The Chinese Government attached great importance to this conference. The Chinese delegation, headed by State Councillor Song Jian, attended UNCED. Chinese Premier Li Peng took part in the summit and delivered a speech elucidating China's position on environment and development.

All participants made arduous efforts and contributions to the conference. U.N. Secretary-General Butrus-Butrus Ghali said at the closing session here today that "this conference was called to face an immense challenge."

"Major divisions between the participants have been narrowed," he said. "A great stride has been taken toward our goal," which is saving our planet.

Observers here said that the conference mobilized people all over the world in increasing their environmental awareness. World leaders made high-level political commitments of global partnership in the fields of environment and development.

The conference, though, failed to reach agreement on concrete commitments of financial resources and technology transfer.

In addition, the United States refused to sign the convention on biological diversity, which aroused criticism among participants.

The Rio conference acknowledged the need for environmental protection and sustainable development and was a cornerstone in the process of man's sustainable development.

Brazilian President Fernando Collor said that, "The Rio conference does not end in Rio. We are sowing the seeds."

United States & Canada

Human Rights Said 'Instrument' of U.S. Diplomacy

OW1306191592 Beijing BEIJING REVIEW in English
No 23, 8-14 Jun 92 pp 7-11

[Article by Liu Wenzong's entitled: "U.S. 'Diplomacy of Human Rights'—an International Law Perspective"]

[Text] For a long time, "human rights" has invariably been used by the United States as an instrument to pursue its foreign policy objectives.

The US Congress often imposes sanctions on countries whose human rights situations are judged as not meeting US standards. These sanctions take the form of limits on economic assistance and weapons sales to those countries. Annual human rights reports issued by the US Department of State, generally based on groundless facts, criticize some nations for so-called "bad human rights situations." Furthermore, Washington exerts pressure upon these countries through major international financial institutions, such as the World Bank, the International Finance Corporation, the International Development Association and various regional development banks. Although in most of these institutions the US lacks veto power, Washington is a major contributor and therefore has a very substantial influence on these institutions' decision-making process, especially when the US Congress plans to slash economic and technological aid to any given country for human rights reasons.

We will not discuss here whether these actions run counter to international law or constitute wanton interference in other countries' internal affairs. Many people want to know, first of all, why the United States, a country officially pursuing a "diplomacy of human rights," has not ratified the 26-year-old Covenant on Economic, Social and Cultural Rights and the Covenant on Civil

and Political Rights. Similarly, the United States has not ratified the majority of international human rights conventions signed within the framework of the United Nations, including the International Convention on the Elimination of All Forms of Racial Discrimination (entry into force in 1969), the Convention Against Discrimination in Education (1962), the International Convention on the Suppression and Punishment of the Crime of Apartheid (1976), the Convention on the Prevention and Punishment of the Crime of Genocide (1951), the Convention on the Non-Applicability of Statutory Limitations to War Crimes and Crimes Against Humanity (1976), the Abolition of Forced Labour Convention (1959), the Convention for the Suppression of the Traffic in Persons and the Exploitation of the Prostitution of Others (1951), the Convention on the Nationality of Married Women (1958), the Convention on the Reduction of Statelessness (1975), the Convention Relating to the Status of Stateless Persons (1960), the Convention Relating to the Status of Refugees (1954), the Convention on the International Rights of Correction (1962), the Convention on the Elimination of All Forms of Discrimination Against Women (1981), the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (passed by the UN General Assembly in 1984 and open for signing, ratification and participation). Shouldn't the evils of racial discrimination, apartheid, genocide, discrimination in education, forced labour, traffic in persons, prostitution, discrimination against women, torture, refugees, fictional and distorted news reports, and maltreatment of stateless persons, all of which have occurred in some areas of the world in this century, be suppressed and eliminated by the international community?

If we look at the history of debates of the US Congress on ratification of international human rights conventions, universal or regional, we find, as American jurist Thomas Buergenthal said, "the United States has an extremely poor record." Washington, of course, can manage to hold out many excuses to defend its behaviour. For example, it may argue that joining an international convention requires the ratification of the US Senate. If some contents or provisions of the international convention contravene the US Constitution, it cannot be accepted. According to the Restatement of Law, the Foreign Relations Law of the United States, which lists 20 international human rights conventions, including the Slavery Convention of 1926, the United States only ratified four of these conventions. This indicates that the United States has basically kept itself out of the numerous international human rights conventions.

The United States insists that, under the US Constitution, if a convention is ratified into law by the Senate, it will have the same power as US federal laws, and thus could invalidate some US state laws whose provisions run counter to the convention. The United States does not want to risk violating the US Constitution's Tenth Amendment concerning the encroachment on state rights. But as Buergenthal has

pointed out, Washington maintains that human rights is a matter of domestic jurisdiction and "the US Constitution does not permit the use of the treaty-making power to regulate a matter that is not a proper subject for international negotiations."

The US attitude towards international human rights conventions clearly shows that it regards human rights as a matter not proper for international negotiations. Thus comes the contradiction: on the one hand, the United States claims to be the world's "human to be the rights defender," while on the other hand, it has seldom acceded to international human rights conventions. This contradiction has sparked suspicion in many people: What is the purpose of the US "diplomacy of human rights?" It is not strange that Professor John Lawrence Hargrove, executive vice-president and executive director of the American Society of International Law, stated that the United States has not participated in major international human rights conventions; thus, on what grounds does it concern itself with human rights situations in other countries?

Let us examine the fate of two conventions drafted in 1966 and their treatment by the US Administrations. The Covenant on Economic, Social and Cultural Rights and the Covenant on Civil and Political Rights, which were proposed by the United Nations as important international human rights conventions, came into force in 1976 after receiving 35 letters of ratifications or participation. In his first year (1977) in office, President Jimmy Carter enthusiastically advocated a US "diplomacy of human rights," and signed three human rights conventions: the Covenant on Economic, Social and Cultural Rights, the Covenant on Civil and Political Rights and the American Convention on Human Rights. In 1978, Carter sent the three conventions, together with the International Convention on the Elimination of All Forms of Racial Discrimination, to the US Senate for consideration and ratification. The next year, the Senate Foreign Relations Committee held several hearings, and finally refused to ratify the four conventions. Although the Reagan Administration supported the Convention on the Prevention and Punishment of the Crime of Genocide, it was not sent to the Senate for consideration and ratification.

Last August, President George Bush presented a letter of participation in the Covenant on Civil and Political Rights to the Senate for examination and ratification. This convention, most similar to the spirit of traditional Western concepts of human rights, should have met no problems in the Senate. But the Senate Foreign Relations Committee Chairman, Jesse Helms, who presided over the meetings, got angry with it. Richard Shifter, assistant secretary of state for Human Rights and Humanitarian Affairs, said that human rights was an important instrument for US diplomacy. If the United States participated in the covenant, it would be more forceful when launching challenges to those governments which see human rights as their internal affairs. He suggested that

the United States sign the convention, but not be subjected to it, because: 1) The provisions of the convention are not self-executing unless the US Congress enacts legislation to implement them. 2) If some provisions are not in accordance with present US laws, the United States may participate in the convention with reservations. 3) The United States may demand new provisions that would be adaptable to its federal system.

But in fact, Shifter's proposal is not feasible because the 50th provision of the covenant stipulates, "the present Covenant shall extend to all parts of federal States without any limitations or exceptions." The "human rights defenders" in the US Senate had to abandon this proposal, insisted that the United States should avoid ratifying international conventions that are abhorrent to the US Bill of Rights, and stressed the need to uphold the sovereignty of the United States of America. Therefore, the covenant has again been shelved.

As a matter of fact, of all the international human rights conventions, the Covenant on Civil and Political Rights is most similar in content to the US Bill of Rights (Amendments 1-10 of the US Constitution). The writers have taken the US Bill of Rights as its blueprint in drafting the covenant. Of course, there are some differences in the covenant, and it is these differences that caused the convention to be rejected in the Senate. What are these differences?

After World War II, the United Nations declared its objective to promote and encourage respect for human rights and fundamental freedoms for all without distinction as to race, sex, language or religion (Article 3, Chapter 1 of the UN Charter). This principle was similarly embodied in the Covenant on Civil and Political Rights. But for a long time, some southern US states had protected various forms of racial discrimination within the framework of state law. For instance, until recently, some states still allowed racial segregation in schools, opposition to marriage between whites and blacks, separate use of public facilities based on race, and a "poll tax" (only taxpayer could participate in state elections). Because Democrats and Republicans from southern states formed a strong alliance in Congress, it was difficult for Congress to legislatively change the above-mentioned system. In the early 1950's, Justices Hugo Black and Frank Murphy of the US Supreme Court stated that, given the United States' ratification of the UN Charter, it was natural for the US to observe the Charter's Articles 55 and 56, "to promote universal respect for, and observance of, human rights and fundamental freedoms for all without distinction as to race, sex, language, or religion." Therefore, the United States should change its existing system of segregation.

However, these provisions were dismissed in the case "Sei Fujii V. California" of 1952. In that case, a California intermediate court ruled that, because California's Alien Land Law racially discriminated against Asian-Americans who wanted to purchase land, and thus violated human rights clauses of the UN Charter, the

California law was invalid. But the Supreme Court of California reversed the lower court's decision. The California Supreme Court declared that human rights provisions of the UN Charter could not automatically enter into force, and that international treaties became valid only after the US Congress legislatively adopted measures to carry out them. The case was not presented to the US Supreme Court, so the doctrine that human rights provisions of the UN Charter were not self-executing became an unwritten rule throughout the US.

The case caused fear among some southern states that maintained discriminatory laws that the United States might adopt the human rights provisions of the UN Charter into US federal law some day. Senator John W. Bricker of Ohio warned, "if the Fujii case should eventually be affirmed by the United States Supreme Court, or if the principle announced therein should be sustained, literally thousands of federal and state laws will automatically become invalid." Bricker suggested that the United States amend its Constitution to declare that all international treaties signed by the United States are not self-executing. The suggestion violated international law and the norms of international relations, so it failed to be ratified in the Congress. But Secretary of State John Foster Dulles immediately made a policy statement, on behalf of the Eisenhower Administration, that the US government did "not intend to become a party to any such covenant (on human rights) or present it as a treaty for consideration by the Senate." The US Government also sent this statement to the United Nations for record. The subsequent fate of human rights conventions in the United States has been outlined above.

To help people fully understand how difficult it is to gain ratification of a human rights covenant from the US Senate, another example can be examined—that of the Convention on the Prevention and Punishment of the Crime of Genocide, signed in Paris on December 9, 1948. The convention was originally drafted in reaction to the Nazi's extermination of millions of Jews and members of other national, ethnic and religious groups during World War II. The convention was adopted by the United Nations to prevent the recurrence of such crimes. This convention should have been easily ratified by the United States. However, because some of its provisions refer to the concept of "genocide" and to jurisdiction over criminals (see Articles 2, 3, 4 and 5), their interpretation may be unfavourable to the United States. The convention was first presented to the US Senate for consideration in 1949, but it was not ratified until 1986. Even then, the Senate had made two reservations. One reservation is related to the dispute settlement clause in Article 9. It provided that specific consent of the United States shall be required before a dispute to which the United States is a party may be submitted to the Court. This means the enforcement of the convention is subjected to the will of the United States. The other says "nothing in the Convention requires or authorizes legislation or other action by the United States of America prohibited by the Constitution of the United

States as interpreted by the United States." In this way, the dictates of the US Constitution are placed above those of the convention.

In addition, the Senate issued a statement to demand that the president not submit the letter of ratification to the UN before the US Congress could enact legislation to implement the convention. According to Buergethal, the statement was aimed at using Congressional legislation to replace the convention. If US courts, when dealing with future cases, find the convention runs counter to US legislation, they should observe the American legislation on the ground that the convention is "non-self-executing and, therefore, not enforceable." How deliberate the US Senate was in taking measures to protect those criminal activities that involve the crime of genocide. But the United States did not ratify the convention, which came into force on January 12, 1951 and has been ratified by more than 90 countries, until May 1988, because the US Congress during the period made no corresponding legislation.

Through the above analysis, we reach the following conclusions:

1. US "diplomacy of human rights" actually contains few parallels between its deeds and words and is patently contradictory. It adopts one criterion to judge itself and another to judge the rest of the world. Some American "human rights guardians" advocate "human rights above sovereignty" and "human rights beyond national boundaries." But in fact, these standards are created only for other countries, while in the US, "sovereignty is above human rights" hid "the Constitution is above international human rights conventions." The United States has erected an insurmountable wall with its Constitution, federal and state laws to defend against the bulk of international human rights conventions (including individual conventions) that are not in accordance with US interests. Washington has indicated that no international treaty can be applied in the United States if it is not in accordance with US interests. But other countries, once they have signed the treaties, generally amended their domestic laws to adapt to the obligations of the treaties, with the US as a sole exception. The US demands that the treaties be subjected to the US Constitution and laws, thus violating the norm "Pacta sunt servanda" in international law.

2. Certain Americans repeatedly attack China's "human rights situation," but in fact, China's human rights situation is superior to that of the United States in many aspects. China's crime rate is the lowest in the world, while that of the US, which includes murder, robbery, rape, drug taking and drug trafficking, and racial discrimination, remains the highest in the world. Crime in the US claims many American lives and encroached upon their human rights. The United States not only has failed to ratify the two international covenants of 1966, but also has not ratified the American Convention on Human Rights (it was signed in 1969 and became effective in 1978, with more than 20 American countries

having participated in the convention). This is because any country that ratifies the convention will be subject to the jurisdiction of the Inter-American Commission on Human Rights, and the Commission may investigate any country in which one makes a human rights complaint against the government. The high crime rate in the US cannot stand such an examination and investigation. Although "federal provisions" have been added to the convention, the United States is still reluctant to ratify it.

In contrast, China is pulling ahead of the United States in ratifying international human rights conventions. Since 1980, the Chinese Government has signed, ratified and participated in seven international human rights conventions—the Convention on the Prevention and Punishment of the Crime of Genocide, the Convention on the Suppression and Punishment of the Crime of Apartheid, the Convention on the Elimination of All Forms of Discrimination Against Women, the International Convention on the Elimination of All Forms of Racial Discrimination, the Convention Relating to the Status of Refugees, the Protocol Relating to the Status of Refugees and the Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment. The Chinese Government has likewise submitted reports on the implementation of the conventions to the UN, and seriously fulfilled its international obligations. But of the seven conventions, the United States only participated in the Protocol Relating to the Status of Refugees. After reviewing these facts, do American "human rights guardians" have reason to talk endlessly about other countries' human rights record?

To fully enjoy human rights has long been the ideal of mankind. China, a socialist country, has attached great importance to human rights. But at the same time, it opposes any other country's attempt to use human rights as a tool to spread its own values, ideology, political criteria and development model, and to interfere in other nations' internal affairs. China insists that human rights issues are essentially a matter within domestic jurisdiction of any sovereign nation (as does the United States). Each country should accept differences in the rest of the international community with respect to politics, economy, social systems, history, religion and cultural background. International cooperation should be strengthened in the field on the basis of mutual understanding, of seeking common grounds while maintaining different views. China is willing to continue to participate in UN human rights activities, together with the international community, on the basis of a full understanding of human rights.

Central Eurasia

'Big Increase' Noted in Number of CIS Tourists

HK1206143692 Beijing ZHONGGUO XINWEN SHE
in English 1330 GMT 12 Jun 92

[Text] Beijing, June 12 (CNS)—Tourists from various CIS member countries visiting China have shown a big

increase since the beginning of this year. The headquarters of China International Travel Service alone received 3,500 such visitors over the first five months of this year.

Speaking at a press conference today, the General Manager of the service, Mr. Lu Fenyan, said that the figure represented a rise of 266 percent over the same period last year.

Most of the visitors tend to visit only one place with Harbin, Shanghai, Beijing and Tianjin all being places they were keenly interested in.

The tourists' main interest was shopping, Mr. Lu said, adding that the CIS visitors paid their bills in U.S. dollars.

The second half of this year will be a peak period for CIS travellers visiting China. A total of 37 chartered planes from the Ukraine alone will be flying non-stop to Beijing and Tianjin in the second half of this year, according to the service. A luxury liner from Russia packed with visitors will come to China in July.

CIS has climbed to eighth position among the ten largest tourist source countries listed by the service.

As Western visitors tended to turn to China again, the number of foreign travellers received by the service over the first five months of this year posted a rise of 170 percent coming from the United States, 270 percent from France and 100 percent from Germany compared with the same period last year.

Mr. Lu said that there would be over 100 branches more this year across the country having foreign contacts. Facing stiff competition, the service will reinforce its foreign-related advertising to attract tourists and upgrade its service quality.

The China International Travel Service, being the largest of its kind in China, was host to 140,000 overseas visitors over the first half of this year and it is expected that the number of travellers received by the service will be more than 300,000 by the end of the year.

Heilongjiang's Heihe Sees Greater CIS Trade

OW1506043592 Beijing XINHUA in English
0336 GMT 15 Jun 92

[Text] Harbin, June 15 (XINHUA)—Heihe, China's biggest border trade port city, is now experiencing new breakthroughs in economic and trade co-operations with Russia and the other Commonwealth of Independent States (CIS) members.

In the first five months of this year, the city signed contracts with the CIS valued at 1.3873 billion Swiss francs, and realized an export and import volume worth 171.8 million Swiss francs, 2.8 times that of the same period last year.

A local official estimated that the export and import volume of Heihe this year is expected to exceed 300 million Swiss francs.

The city is now dealing with over 1,000 varieties of goods for export and import, and it has over 900 trade partners in Russia, Ukraine and some other members of the CIS.

So far Heihe has signed 51 economic and technological co-operative projects with Russia and the other CIS member states, with total investments reaching 1.76 million U.S. dollars.

Heilongjiang Official Meets Russian Delegation

SK1506023792 Harbin Heilongjiang People's
Radio Network in Mandarin 1000 GMT 13 Jun 92

[Text] Sun Kuiwen, vice governor of the provincial government, met with an economic and trade delegation from the Russian Federation's Chita Oblast this morning at a provincial office. This delegation is visiting the province to attend the China Harbin border and local economic and trade symposium.

Vice Governor Sun Kuiwen said: Heilongjiang Province has close contacts with Chita Oblast. The mutual contacts and economic and trade cooperation have helped promote the (?friendship) between both sides. Today, we welcome you as if you were an old friend.

(Aibofu), head of the delegation, thanked the provincial government and the departments concerned for their invitation.

Northeast Asia

CPPCC Vice Chairman Meets DPRK Visitors

OW1306115592 Beijing XINHUA in English
1125 GMT 13 Jun 92

[Text] Beijing, June 13 (XINHUA)—Hong Xuezhi, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), met with a delegation from the Democratic Front for the Reunification of the Fatherland (DFRF) of the Democratic People's Republic of Korea, at the Great Hall of the People here today.

The delegation is led by Yu Ho-chun, director of the secretariat of the DFRF.

The visitors arrived here earlier today as guests of the CPPCC. They are also scheduled to visit Tianjin, Nanjing, Yangzhou and Xiamen.

DPRK To Continue 'Peaceful' Nuclear Research

OW1306082692 Beijing XINHUA in English
0758 GMT 13 Jun 92

[Text] Pyongyang, June 13 (XINHUA)—The Democratic People's Republic of Korea (DPRK) will continue

its research in peaceful utilization of nuclear energy to help develop the nation's economy.

A spokesman for the Ministry of Nuclear Energy Industry made the remarks in a statement to the press Friday regarding the first non-regular inspection by the International Atomic Energy Agency (IAEA) from May 25 to June 6 under the nuclear safeguards accord signed between the DPRK and the IAEA.

The spokesman said that the DPRK opened to inspection even those nuclear facilities which had not been the objects of inspection by the IAEA, with a view to ensuring a smooth inspection by the organization, and the IAEA also expressed satisfaction with the sincere cooperation of the DPRK.

He added that the radiochemical laboratory under construction according to the peaceful nuclear power development program will conduct scientific researches and experiment to spare the nation's own nuclear fuel in a far-sighted and more effective way and separate necessary radioisotopes and use them in different branches of the national economy.

DPRK Urges Japan To Right 'Distorted' History

OW1306110192 Beijing XINHUA in English
0834 GMT 13 Jun 92

[Text] Pyongyang, June 13 (XINHUA)—A Foreign Ministry spokesman of the Democratic People's Republic of Korea (DPRK) demanded in his speech Friday that the Japanese Government should correct the fake history between the two nations by abolishing unlawful treaties imposed on DPRK during the Japanese empire.

The spokesman said professors of history at Kim Il-song University recently confirmed again that the "Ulsa Five-Point Treaty" of 1905 the Japanese imperialists allegedly had signed with old Korea was a fake.

These professors, he said, found new evidence from HWANGSONG SINMUN, a newspaper of old Korea, that the "Ulsa Five-Point Treaty" had not been concluded due to then Emperor Ko Jong's refusal to endorse, sign and fix the royal seal to it.

Furthermore, the emperor's signature on the "Chongmi Seven-Point Treaty" allegedly "signed" in 1907 was also a forged one, the spokesman said, adding the revelation was indisputably supported by data released one after another.

He noted both "treaties," which were forged documents, had not gone through elementary procedures indispensable for the legality of a treaty. They should not be regarded as treaties in view of international law.

Many historical facts and a series of data preserved in the state historical archives of Japan also bear testimony to his conclusion, he said.

The newly discovered historical material indisputably prove that the Japanese imperialists' illegal occupation of Korea began in 1905, not in 1910 when the "Korea-Japan annexation" was signed. Therefore, the period of their colonial rule over Korea was 41 years, not 36.

However, the Japanese Government has been trying every means to cover up the crimes committed by Japanese imperialism in the past and avoid the liquidation of their past wrongs.

This has become a core problem in the way for the normalization of DPRK-Japan relations, the spokesman said.

The Japanese Government should honestly apologize for the crimes in the past and take a sincere attitude to correct the distorted history, he said.

ROK Joint-Venture Company Opens 17 Apr

SK1506075292 Harbin HEILONGJIANG RIBAO
in Chinese 18 Apr 92 p 1

[By reporter Bing Yingnian (6728 6601 1628) and Xing Shiguo (6717 0013 0948) "The Sino-ROK Joint-Venture Ltd. Company in Charge of Agricultural Development on the Sanjiang Plain Opens"]

[Text] The Sino-ROK Joint-Venture Ltd. Company in charge of agricultural development on the Sanjiang plain, the largest joint-venture project of comprehensive agricultural development in our country, was ceremoniously opened in Harbin on 17 April.

At the ceremony, Chen Shuanglai from the provincial industry and commerce bureau first presented a business license to the company on behalf of the bureau's director.

Unveiling the company nameplate during the ceremony were Chang Duk-chin, chairman of the company's board of directors, and Du Xianzhong, vice governor of Heilongjiang Province.

The Sino-ROK Ltd. Company is jointly operated by the Yangso Chemical Industry Ltd. Company of the Republic of Korea and the Agricultural Development and Construction General Company of Heilongjiang Province. Total investment in the joint-venture company is 227 million renminbi. The registered capital is 56.82 million yuan and the share of the capital by both sides is 50-50. The Korean side is responsible for 75 percent of the investment loans; the Chinese side is responsible for 25 percent. The initial period for the joint business is 40 years. Business scope and production capability of the joint-venture company include the construction of a 38,000-square-hectare development zone in the Toulun and Xinglong districts in Fujin city, the reclaiming of a 30,300-square-hectare wasteland, and annual output of 105 million kg of grains and soybean. Of the output, a half of it will be exported to earn foreign exchanges. The joint-venture company will adopt

methods for earning foreign exchanges through the exports of grains and soybean as well as products processed from grains and soybean. The company will also repay loans with renminbi.

The establishment of the joint-venture company is very significant for exploring agricultural modernization in the province, opening ways of introducing foreign investments, and expanding the scope of cooperative business with the Republic of Korea.

During the ceremony, Chang Duk-chin, chairman of the company's board of directors, delivered an enthusiastic speech in which he stated the inauguration of the joint-venture company had opened a page in the new history of economic cooperation and development between China and ROK. The company is the largest joint-venture project between ROK and China and is also the largest agricultural development project with foreign investments. He said he was convinced the company will certainly be successful.

In his speech he said that the joint-venture will enforce the general manager responsibility system, fully introduce competition and value of personnel ability, and distribute bonuses for work achievements.

During the ceremony, Vice Governor Du Xianzhong also spoke, saying he was very happy to see the province has set up such a typical joint-venture company after more than three years' efforts by China and ROK. This means the province's comprehensive agricultural development has entered the realm of international economic cooperation and set an example for the province to carry out extensive, large-scale international agricultural and economic cooperation in the future. The inauguration of the joint-venture company will forcefully promote contacts in economic circles of China and ROK, deepen the friendship established by the people of the two countries, enhance the confidence of foreign businessmen in investing their money in the province, and promote the establishment and development of Northeast Asia's economic zone.

Attending today's inauguration were leading personnel from the Foreign Investment Administration and the Treaty and Law Department under the Ministry of Foreign Economic Relations and Trade; responsible persons from the provincial level departments, commissions, offices, and bureaus concerned; and financial departments and relevant companies and corporations.

Defense Minister Qin Jiwei Leaves for Mongolia

OW1406041492 Beijing XINHUA in English
0342 GMT 14 Jun 92

[Text] Beijing, June 14 (XINHUA)—General Qin Jiwei, Chinese state councillor and minister of national defense, and his party left here by air this morning for Ulaanbaatar on an official goodwill visit to Mongolia, at the invitation of the Mongolian Minister of National Defense Shagaliyn Jadambaa.

Among those accompanying him was Lieutenant General Xu Huizi, Deputy Chief of General Staff of the Chinese People's Liberation Army (PLA).

PLA Chief of General Staff General Chi Haotian and Charge d'Affaires Ad Interim of Mongolian Embassy in Beijing R. Nyamsuren saw them off at the airport.

Arrives in Ulaanbaatar

OW1406094392 Beijing XINHUA in English
0928 GMT 14 Jun 92

[Text] Ulaanbaatar, June 14 (XINHUA)—Chinese Defense Minister Qin Jiwei arrived here in midday today for an official visit to Mongolia.

General Qin, also state councillor, is the first Chinese defense minister to visit this country since Marshal Peng Dehuai, who led a Chinese military delegation, visited the country in 1959.

At the airport, Qin was welcomed by his Mongolian Counterpart Lt. General Shagaliyn Jadambaa and some other Mongolian high ranking military officers.

Among those accompanying General Qin on the visit were Lt. General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army (PLA), and Lt. General Liu Jingsong, commander of the PLA Shenyang Region.

The week long visit by the Chinese military leaders is expected to end on June 19.

Meets Mongolian Counterpart

OW1506045992 Beijing XINHUA in English
0439 GMT 15 Jun 92

[Text] Ulaanbaatar, June 14 (XINHUA)—Mongolian Defense Minister Lt. General Shagaliyn Jadambaa today met with his Chinese counterpart Qin Jiwei.

During the meeting, Jadambaa stressed that Qin's visit to his country was of great significance in strengthening bilateral friendship and mutual understanding.

General Qin, also state councillor, is the first Chinese defense chief to visit the country since Marshal Peng Dehuai visited Ulaanbaatar in 1959.

Southeast Asia & Pacific

Qian Qichen Visits New Zealand, Australia

OW1406021392 Beijing XINHUA in English
0155 GMT 14 Jun 92

[Text] Beijing, June 14 (XINHUA)—Chinese State Councillor and Foreign Minister Qian Qichen left here by plane this morning on an official visit to New Zealand and Australia.

Qian is paying the visit at the invitation of Don McKinnon, deputy prime minister and minister of external

relations and trade of New Zealand, and Gareth Evans, minister for foreign affairs and trade of Australia.

Comments on Ties, Human Rights

*OW1406101092 Beijing XINHUA in English
0959 GMT 14 Jun 92*

[Text] Beijing, June 14 (XINHUA)—Qian Qichen, Chinese state councillor and foreign minister, said today that both China and Australia are situated in the Asia-Pacific region and their good bilateral ties will play an important role in safeguarding peace, stability and development in the region.

Qian made the remarks during an interview with a Beijing-based Australian correspondent at the airport here this morning, just before his departure for New Zealand and Australia on an official visit.

"This year marks the 20th anniversary of the establishment of diplomatic relations between China and Australia," said Qian, adding he will exchange views with Australian leaders on how to further promote the friendly bilateral relations and cooperation.

According to the minister, the economic and trade relations between the two countries have enjoyed a smooth development in recent years, and have gained an increasing momentum. "We hope the favorable momentum will be maintained," Qian said.

Recently, Australian Prime Minister Paul Keating suggested that leaders of the countries participating in the Asia Pacific Economic Cooperation (APEC) conduct consultations on important issues at regular intervals.

When asked about China's reaction if Taiwan and Hong Kong will participate in the meeting, Qian said, "China attaches importance to and takes an active part in the APEC. China is now considering the suggestion of the Australian prime minister. He suggested the convocation of a meeting of government heads. Taiwan and Hong Kong are not qualified to attend the meeting as they are not sovereign states."

On a so-called "human rights delegation" from Australia scheduled to visit China, the foreign minister said, "First of all, we don't think the delegation is a 'human rights delegation'. It is a delegation of the Australian parliament."

"China and Australia have different views on the issue of human rights," said Qian. "We can have dialogues and discuss these differences, thus helping increase mutual understanding."

When asked about China's stand on the second-phase of the ceasefire in Cambodia, Qian said, "The spokesman for the Chinese Foreign Ministry has expounded China's stand on the issue."

"We think that all the parties in Cambodia should have a sincere desire for the realization of the national reconciliation and comprehensive implementation of the Paris agreement," the minister said.

He added, "All the problems and differences arising in the course of the implementation of the agreement should be solved through earnest discussions and consultations."

Opens Consulate General in Auckland

*OW1506060992 Beijing XINHUA in English
0550 GMT 15 Jun 92*

[Text] Auckland, New Zealand, June 15 (XINHUA)—The Chinese Consulate-General in Auckland was officially opened by visiting Chinese Foreign Minister Qian Qichen here today.

Addressing the ceremony marking the official inauguration of the the Consulate-General, Qian described it as another indication of the two countries' desire for and confidence in enhanced bilateral relations and enlarged mutually-beneficial cooperation.

Marked progress has been made in the friendly relations and cooperation between the two countries since the diplomatic relations were established 20 years ago, Qian said. The progress was evidenced by continued exchange of high level visits, a substantial increase in bilateral trade, continuous expansion of economic and technological cooperation and a smooth development of the twin province/city relationships, the minister said.

He believed the Consulate-General in Auckland would become another bridge linking the two countries.

During his speech, Qian also extend cordial greetings and good wishes to Chinese New Zealanders and Overseas Chinese, hoping they would carry forward the fine tradition of the Chinese nation, live in amity with the local people and make new contribution to the prosperity of New Zealand, the continuous development of Sino-New Zealand relations and the grand cause of the reunification of China.

Chen Qidao, the new consul-general, promised to spare no efforts to contribute his share to the enhancement of the mutual understanding between the two peoples and to the consolidation of friendly cooperation and exchanges.

Present at the ceremony were Richard Nottage, secretary of New Zealand Ministry of External Relations and Trade, Auckland Mayor Les Mills and representatives from all walks of life in New Zealand as well as representatives of the Chinese community in the country.

The consulate-general, established in line with an agreement between the two countries last year, started part of its routine work including visa issuance as of early April.

Meets Chinese Community

OW1506064592 Beijing XINHUA in English
0633 GMT 15 Jun 92

[Text] Auckland (New Zealand), June 15 (XINHUA)—An all-round opening to the outside world is prevailing in China, focusing not only on the coastal areas but also the area along the Yangtze River and the border.

This was stated by Chinese Foreign Minister Qian Qichen at a meeting here today with representatives of the Chinese Community in New Zealand, representatives of Chinese companies investing in New Zealand and students now studying in New Zealand universities.

The coastal areas, especially southern China including Guangdong and Fujian Provinces, has already opened. But now, the whole area along the Yangtze River with Shanghai, China's biggest city, as the "Dragon Head" would also open to foreign investors, in addition to the opening of all border areas to neighboring countries.

This meant that a larger scale of absorbing overseas investment to China and the economic cooperation and exchanges as a whole had ushered in, the minister explained.

In fact, the minister noted, more and more overseas firms were seeking investment opportunities or doing business in China as a result of China's policy of opening wider to the outside world.

Before the meeting, Qian met with all the diplomats and staff in the newly established Auckland Consulate-General.

UNSC Urges Cambodians To Abide by Accords

OW1206212692 Beijing XINHUA in English
1831 GMT 12 Jun 92

[Text] United Nations, June 12 (XINHUA)—The U.N. Security Council [UNSC] today asked all the four Cambodian parties to honor the commitments they have undertaken under the Paris accords and cooperate with the U.N. Transitional Authority in Cambodia (UNTAC) in bringing peace to the country.

The council, in a presidential statement issued at a formal meeting this afternoon, specifically called upon all parties "to respond affirmatively to the latest demands for cooperation in implementation of the accords put to them by UNTAC."

It stressed the need to begin on June 13 the second phase of the military arrangements, namely the cantonment of the troops of the four parties, which signed the peace accords in Paris on October 23 last year.

The statement urged the U.N. secretary-general "to accelerate the deployment of the full UNTAC peace-keeping force to Cambodia and within the country."

The 22,000-strong UNTAC is the largest U.N. peace-keeping operation and its mandate is to monitor the cease-fire between the four parties, administer government ministries together with the Supreme National Council (SNC), conduct elections and help reconstruct the country.

However, UNTAC has met difficulties before proceeding to the second phase, as one of the parties, Democratic Kampuchea, refused to come along, although the other three have agreed to concentrate their troops in the cantonment sites prepared by UNTAC.

The Security Council today criticized Democratic Kampuchea for not being able to allow the necessary deployment of UNTAC in areas under its control, although it did not mention the name.

"Any delay could jeopardize the whole peace process to which all Cambodian parties have agreed under the auspices of the United Nations and the Paris conference," it warned in the presidential statement.

Democratic Kampuchea demands that the second phase should not start until the withdrawal of all Vietnamese troops is verified and the SNC becomes a transitional government with executive and legislative power, for which the Paris accords do not provide.

The council reaffirmed that the SNC under the chairmanship of Norodom Sihanouk is the unique legitimate body and source of authority in which, throughout the transitional period, the sovereignty, independence and unity of Cambodia are enshrined.

The transitional period will last until elections are held by next May and a new government is formed in the country.

Cambodia Begins Phase II UN Peace Plan

OW1306084192 Beijing XINHUA in English
0755 GMT 13 Jun 92

[Text] Phnom Penh, June 13 (XINHUA)—The second phase of the Cambodian peace plan sponsored and supervised by the United Nations formally started today.

General Sanderson, military commander of the United Nations Transitional Authority in Cambodia (UNTAC) told XINHUA in an exclusive interview that about 11,000 U.N. peacekeepers have arrived in Cambodia. Most of them have been deployed in cantonment sites of three factions' armed forces except those of the Democratic Kampuchea (Khmer Rouge).

According to UNTAC sources, 82 cantonment sites have been established for the troops of all the four Cambodian factions with Phnom Penh Party 58, the Khmer People's National Liberation Front 5, the Democratic Kampuchea 15 and the National United Front for an independent, neutral, peaceful and cooperative Cambodia 4.

Under the Paris peace accord, the troops of all the four factions will go to the designated cantonment sites for disbanding during the second phase.

Their arms, ammunition and military equipment will be handed over to the UNTAC and the whole disarming process will be supervised by the UNTAC.

Cambodian Factions Ready To Execute Paris Accord

*BK1306125192 Beijing Radio Beijing
in Cambodian 1030 GMT 13 Jun 92*

[Text] On 12 June, the four Cambodian parties within the Supreme National Council [SNC] said that they were prepared to accept and implement the second phase of the peace plan on Cambodia.

Mr. Tie Banh, an SNC member from the Phnom Penh faction, told reporters that Phnom Penh accepted the peace plan of the UN Transitional Authority in Cambodia [UNTAC]. From 13 June onward, the Phnom Penh troops will accept verification by UN officials and will hand over their arms at various regrouping centers across the country.

Mr. Ieng Muli, an SNC member from the Khmer People's National Liberation Front [KPNLF] said his front is also ready to accept the demobilization of 20,000 troops.

Mr. Khieu Samphan, an SNC member from the Party of Democratic Kampuchea [PDK], stated that the Paris peace accord on Cambodia should be respected in full and that the PDK will implement the accord. However, the UNTAC should verify whether all Vietnamese forces have already been withdrawn from Cambodia and it should enhance the SNC's role as well. He added that after the two important issues are resolved, the PDK will grant the UNTAC access to the regions under its control.

Study Group Visits Cambodia, Signs Accords

*OW1406174992 Beijing Central People's Radio
Network in Mandarin 1700 GMT 13 Jun 92*

[From the "International News and Current Events" program]

[Text] On 13 June a Chinese agriculture, animal husbandry, and fishery study group led by vice president (Jin Tongxu) of the China Corporation for International Cooperation in Agriculture, Animal Husbandry, and Fishery left Phnom Penh for home after concluding an 18-day study tour of Cambodia.

During the visit the Chinese study group exchanged views with senior officials of Phnom Penh's Ministries of Commerce, Industry, Agriculture, and Planning on cooperation projects to be carried out between the two sides in the future; they also signed a memorandum on agricultural cooperation and an agreement on surveying and the experimental fishing of aquatic resources.

West Europe

Central Bank Head Li Guixian Arrives in Britain

*OW1306231792 Beijing XINHUA in English
2223 GMT 13 Jun 92*

[Text] London, June 13 (XINHUA)—Li Guixian, governor of the People's Bank of China, arrived here today for a week-long official visit to Britain at the invitation of his British counterpart Robin Leigh-Pemberton.

Li, also a state councillor of the Chinese State Council (cabinet), will hold talks with Leigh-Pemberton, governor of the Bank of England, on Tuesday to brief him on China's efforts to reform its economic and financial systems.

Li will be given a brief account of Britain's financial establishment.

Li, making the first ever visit to Britain by a head of China's central bank, will also attend the official opening of an office of the People's Bank in Europe.

The London-based office will be the People's Bank's first overseas office.

During the visit, Li is expected to meet British Foreign Secretary Douglas Hurd and Trade and Industry Secretary Michael Heseltine.

He will also visit major financial institutions in London and tour Scotland.

Tian Jiyun, Businessmen Depart Northern Europe

*OW1206151492 Beijing XINHUA in English
1355 GMT 12 Jun 92*

[Text] Helsinki, June 12 (XINHUA)—China has signed 410 million U.S. dollars worth of purchasing contracts with Sweden, Norway, Denmark and Finland during a series of visits to the four countries by a government delegation.

The delegation led by Vice Premier Tian Jiyun, left here today for home.

Its tour started May 26 at the invitation of the four countries.

A Chinese purchasing group signed 31 purchasing contracts during the visits.

Top-level visits since the 1980s have developed bilateral relations between China and all northern European nations.

During the visits, Tian met with leaders from all four countries.

Tian also briefed his hosts on China's open-door policy and the boosting of economic reforms to heighten foreign business confidence in China.

China believes agreements outweigh differences on issues related to the international situation, world peace and cooperation in economics and trade.

The four countries also expressed a willingness to develop friendly relations with China.

East Europe

XINHUA 'Roundup' on Czechoslovakia Politics

OW1306143692 Beijing XINHUA Domestic Service
in Chinese 0701 GMT 13 Jun 92

["Roundup" by Sun Xiyu (1327 1585 2589): "Difficult Talks and Sharp Contradictions"]

[Text] Prague, 12 June (XINHUA)—The two big political parties of Czechoslovakia, the Czech Civic Democratic Party and the Movement for a Democratic Slovakia, already held two rounds of talks on the future of the country. The two rounds of talks were fruitless because each side took an entirely different stand.

Klaus, leader of the Civic Democratic Party, calls for maintaining the present form of federation and establishing a federal state that can exercise its functions and is relatively loose in its state system, while Meciar, leader of the Movement for a Democratic Slovakia, proposes to reorganize the existing federal republic into an "economic and defense commonwealth" comprising two independent states, or make a decision on whether the two republics are "free alliances" or "federal states" through a referendum, or simply do without an alliance or federation. This is the issue over which the two sides are divided. Klaus unequivocally rejected the proposal made by Meciar.

Observers here believe that it is not by accident that the two sides are divided over the issue of the state system and that such differences reflect escalating ethnic contradictions between the Czech and Slovak nationalities after the drastic changes of 1989.

There were disputes between the Slovak Government with Meciar as its prime minister and the federal authorities and between the Slovak Government and the Czech Republic shortly after the new federal government was inaugurated in June 1990. In August 1990, Meciar proposed a power-division bill, requesting to delegate the powers of the ministries of foreign trade, communications, posts and telecommunications, and energy to the republics and let the federal government retain only the ministries of foreign affairs, national defense, and interior. The power-division bill proposed by Meciar was not carried out due to opposition by the federal authorities and the Czech Republic Government. This incurred the resentment of Slovaks. Some political parties and organizations in the Slovak area successively issued a declaration on Slovak sovereignty and called for independence of Slovakia. They enjoyed considerable popular support in the Slovak area.

Although Meciar was dismissed from his post as the prime minister of the Slovak Government in April 1991, he remained the leader of the Movement for a Democratic Slovakia. During an election campaign this year, he said if his political party wins the election, it will issue a declaration on Slovak sovereignty, pass a Slovak constitution, elect a Slovak president, and establish a federal state comprising of two independent countries on the basis of a treaty between two nations.

It may be said that the two years after the 1990 general election in Czechoslovakia saw escalating ethnic contradictions between the Czech and Slovak nationalities. Meanwhile, the existing regime has been unable to properly solve the extremely tense ethnic contradictions in good time. The situation poses a difficulty to the two big political parties that just won a general election. It is impossible for them to solve, in just two rounds of talks in one week, the problems which the authorities have been unable to solve for two years.

The two parties' failure to make progress in their talks make the people of Czechoslovakia worry about the future and destiny of their own country and give rise to more unrest at home. An organization by the name of "Czech Advocacy" appeared in Prague, the capital, and openly issued a letter of appeal on the streets, demanding independence of the Czech Republic, supporting Havel to act as president of the Czech Republic, and launching a widespread signature drive for the appeal. The number of people who signed their names on the appeal reached 15,000 in two days. Weiss, chairman of the Slovak Democratic Leftist Party, said the atmosphere in the Czech area is "getting hysterical."

At present, the two parties have indicated their willingness to continue with the talks. It is going to be difficult bargaining, and it will take a considerable period of time. It will be difficult for the talks to produce any positive results if both sides are not prepared to compromise and make concessions to each other. The outcome of the talks between the two parties will have a direct influence over the development of the situation in Czechoslovakia as well as the destiny of the country in the future.

Bulgarian Parliamentarian Praises Economic Reform

OW1306112692 Beijing XINHUA Domestic Service
in Chinese 0740 GMT 12 Jun 92

[Text] Sofia, 11 June (XINHUA)—Aleksandur Lilov, former chairman of the Supreme Council of the Bulgarian Socialist Party, said China is going to create the greatest economic miracle in the world. Lilov just returned from a visit to China recently.

The Bulgarian newspaper "THINKING" [Si Xiang Bao 1835 1927 1032] published an interview granted by Lilov to a reporter of the newspaper on 11 June. He said: The reform being carried out in China at present has caught the whole world's attention. Bulgarian statesmen

will see that the process started in the Pacific region is going to play a decisive role in the development of the world.

He said: China has carefully considered strategies for economic development which aim at achieving specific objectives. At present, the Chinese people are well fed and have plenty of clothing. It is a fact that can be seen anywhere in China.

He stressed: At present, the thinking of building socialism with Chinese characteristics has struck root in the hearts of the people in China.

Lilov is a member of the National Assembly of Bulgaria, a member of the Supreme Council of the Socialist Party, and director of the Strategic Issues Research Center of the party. He visited China not long ago at the invitation of the Association for International Understanding.

Political & Social

XINHUA Views Jiang Speech on Reform, Opening

English Version

OW1406151492 Beijing XINHUA in English
1454 GMT 14 Jun 92

[Text] Beijing, June 14 (XINHUA)—General Secretary of the Central Committee of the Chinese Communist Party, Jiang Zemin, has recently stressed that a major task for the party committees at both central and local levels is to grasp and implement in an all around way the essence of the recent important remarks by Deng Xiaoping, and bring the enthusiasm, initiative and creativeness of all the cadres and people into full play so that they will become a great motivating force for the acceleration of the pace of reform and opening and economic development.

Jiang stressed the points at the Central Party School on June 9 when making an important speech to provincial and ministerial-level cadres who are attending a class for advanced studies. The meeting was presided over by member of the Standing Committee of the Political Bureau of the Party Central Committee, Qiao Shi, who is also president of the party school.

Jiang said that a central idea running through Deng Xiaoping's remarks is to unswervingly carry out the party's basic line of "making economic construction the central task and adhering to the four cardinal principles and to the reform and opening to the outside world" in a comprehensive way, emancipate the mind, seek truth from facts, have a free hand and make bold experiments, remove various obstacles, and seize the good opportunity to accelerate the pace of reform and opening and concentrate on the promotion of economic construction. By doing so, the country will continuously and comprehensively push forward the cause of socialism with Chinese characteristics. This has been Deng Xiaoping's consistent idea since the Third Plenary Session of the 11th Central Committee of the party in 1978.

Jiang stressed that the party's basic line of "one central task and two basic points" and the theory of building socialism with Chinese characteristics, put forward by Deng Xiaoping, have guided China's modernization cause to advance along the right course of development and to achieve successes which have attracted worldwide attention. This represents new historic contributions Deng has made to the party, the country, the nation and the people. This is also the most important reason why China's socialist cause can stand the severe tests under the changing international situation and can remain invincible. The creation of the road of building socialism with Chinese characteristics and the formation of its theory, line and policies indicate that China's socialist cause has entered a new stage of development, and that the party has taken an unprecedented new leap in the process of cognition of the science of socialism.

On the acceleration of economic development, Jiang said that the national economy must have an active developing speed. At present the following points should be grasped and fulfilled:

First, seize favorable opportunities and actively create conditions to seek a faster and better development speed. One should absolutely not be too cautious and thus lose the opportunity and bind the developing steps.

Second, as great differences exist in conditions nationwide, one should proceed from actual conditions in terms of development speed. Those areas with necessary conditions should develop more quickly. They should take bold actions so long as they can achieve a speed that ensures high quality and good economic results and meets the requirements of the changing market.

Third, achieve a speed and efficiency mainly by deepening reform, promoting technological advancement, increasing high-quality new products, developing a foreign-oriented economy, furthering active and effective use of foreign funds and improving enterprise qualities.

Fourth, central economic administrative departments should go down to help local organs and enterprises find the right way for running enterprises, create favorable conditions, and provide satisfactory services for them to speed up development.

Speaking of the question that reform is also a revolution and a liberation of the productive forces, Jiang pointed that in a long period in the past China implemented a system of overcentralized planned economy, which once played an important role.

However, Jiang said, such an economic system, due to its defects of over-centralization of powers and of ignoring and even rejecting the commodity economy and the role of market regulation, has become more and more unsuitable to the demands of the development of modern production. It has hampered the development of productive forces, and even rigidified the whole economy.

So, the general secretary stressed, it is imperative to make a fundamental reform in this over-centralized planned economic system. Otherwise, it will be impossible to realize the modernization of the country.

He added that to reform the old economic system means removing the obstacles to the development of productive forces and further liberating the productive forces.

When talking about the question of learning from and using the experience of capitalist countries for reference, Jiang stressed, it is necessary to pay more attention to this question. To accelerate the pace of reform and opening should include boldly drawing on all achievements of the civilization of mankind and advanced management methods of all countries including the developed capitalist countries.

Speaking of the reform of the economic system, Jiang pointed out, it is the basic task of speeding up the reform

to establish a new socialist economic system as quickly as possible. The key task for establishing a new economic system is to correctly understand the question of planning and markets and the relations between them. This means attaching more importance to the role of the market in the development of resources and bring it into fuller play under the state macro-economic control, Jiang said.

Jiang said, through more than a decade of groping and summarizing domestic and foreign experience, our understanding of the establishment of a new socialist economic system has become comparatively ripe both in theory and practice, and a common understanding has further been reached inside the Chinese Communist Party. So, it is time to carry it out at fast speed.

The general secretary pointed out, to speed up the construction of the new economic system, it is imperative to resolve several key problems currently. First, transfer government functions and separate the functions of the government from those of the enterprises; second, fasten the transformation of management mechanisms inside enterprises, especially those state large- and medium-sized enterprises, and grant more decision-making power to enterprises; third, reform the concept of planning and transform the functions and modes of planning management; and fourth, extend more attention to market construction and setting up a unified and complete socialist market.

Speaking of the political reform, Jiang said, the reform in China is socialist reform and it means a revolution to the original political system which bears some shortcomings. It aims at improving and revitalizing China's socialist system. The political reform in China is not to take the road of the kind of democratic politics in Western countries. Its orientation and aim are to build a kind of socialist democratic politics with Chinese characteristics, to improve the socialist legal system and to effectively guarantee the rights of the masses of people as masters of the country.

Jiang added that further efforts will be made to improve the People's Congress system and to continue to improve the multi-party cooperation and political consultation system under the leadership of the Chinese Communist Party.

Meanwhile, more efforts will also be made to enhance the vitality of leading party and government organizations and departments, as well as of the leading groups, through making the ranks of cadres more revolutionary (politically aware), younger, better educated and more professionally competent; to improve the efficiency of decision-making and efficiency of handling affairs, through reform of organizations, streamlining administration and getting rid of bureaucracy; and to stimulate the enthusiasm of various industries and grass-roots masses through separating the functions of government from those of the enterprises and granting more power to a lower level.

Jiang urged leading cadres at all levels to promote reform and opening to the outside world and, at the same time, crack down on criminal activity of all kinds.

By fulfilling the dual tasks, he said, evil things of all kinds can be effectively prevented and curbed and, while boosting the country's economy, successes will also be made in the advancement of people's ideology and ethics and their scientific and cultural standards and of the social order and social conduct.

He pointed out that to emancipate the mind is a magic weapon which can help us always maintain full vitality in our thinking and work and which must be adhered to for a long time to come along with economic development and reform. By emancipating the mind, we mean to be brave in breaking away with the yoke of outdated traditional concepts and be good at proceeding from the reality and trying to blaze a trail and make fresh progress.

On preventing and combating erroneous tendencies, Jiang pointed out that people must be on the alert for right tendencies, but mainly must guard against "left" tendencies.

The reality of life shows that the "left" tendencies are manifested mainly by the fact that people still stick to their previous dogmatical understanding of certain Marxist principles and books, or to some unscientific and even totally distorted understanding of socialism, or to the wrong ideas and policies which overstep the primary stage of socialism and were prevailing prior to the period of reform and opening to the outside world. Whereas, they do not use the Marxist stand, viewpoint and method to analyse the objective reality which has undergone changes [sentence as received]. Thus, they do not easily accept the correct policies of reform and opening to the outside world and they even doubt and negate reform and opening to the outside world. They hold the view that to carry out reform and opening to the outside world will lead to the capitalist road and they still use the concept of "taking class struggle as the key link" to interfere with and even impair the central task of economic development, Jiang said.

At the same time, Jiang said, the right tendencies are mainly manifested by the fact that people doubt and negate the four cardinal principles, are engaged in bourgeois liberalization and even try to create political turmoil, attempting to change the socialist system and the correct orientation of reform and opening to the outside world.

Jiang noted that both the "left" tendencies and the right tendencies will all lead to tremendous danger to the party and will ruin socialism.

He explained that Deng Xiaoping specially pointed out the necessity of guarding against "left" tendencies when he made remarks on watching for right tendencies. This is because in economic development and reform, new ways must be opened up to change the original models

and practices which hinder development of productive forces, but resistance in this regard often mainly comes from "left" tendencies. "Left" things are usually bearing some revolutionary tints which often appear misleading to the people.

Therefore, Jiang pointed out, it is especially necessary to alert leading cadres to pay special attention to guarding against interference from "left" tendencies.

On the improvement of the party building and of the party's leadership, Jiang said that the key to promoting the building of socialism with Chinese characteristics in an all-round way is to earnestly strengthen and improve the party's leadership and enhance the combat capability of the whole party.

To this end, it is necessary to make great efforts to vigorously push forward with the party construction in all fields along with economic development and reform and opening to the outside world, in line with the ideas of Deng Xiaoping on building socialism with Chinese characteristics, Jiang said.

Chinese Version

OW1406134392 Beijing XINHUA Domestic Service
in Chinese 1137 GMT 14 Jun 92

[Report on speech by CPC Central Committee General Secretary Jiang Zemin at the Central Party School on 9 June]

[Text] Beijing, 14 June (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee, stressed that an important task of party committees from the central level down to the various local levels is to thoroughly understand and comprehensively implement the guidelines of the important speeches made by Comrade Deng Xiaoping recently and to further enhance the enthusiasm, initiative, and creativeness of the masses and cadres, turning them into a powerful force for accelerating reform, opening to the outside world, and economic development.

Jiang Zemin set forth this task at the CPC Central Party School on 9 June when he made an important speech to comrades attending an advanced training class for provincial and ministerial-level cadres. The meeting on that day was chaired by Comrade Qiao Shi, member of the CPC Central Committee Political Bureau Standing Committee and president of the Central Party School. Also present at the meeting were Ding Guangen, Wen Jiabao, and Xue Ju, executive vice president of the Central Party Committee.

Jiang Zemin said: One distinctive theme that runs through Comrade Xiaoping's important speeches is that we must firmly and fully implement the party's basic line characterized by "one center and two basic points," emancipate our minds, seek truth from facts, act freely and courageously in conducting experiments, do away

with all sorts of interference, seize the current opportunities to speed up reform and opening-up, concentrate our efforts to expedite our economic construction, and make continuous efforts to push forward our socialist cause with distinctive Chinese characteristics. We must firmly adhere to this central theme in our minds and in our work. This is also what Comrade Xiaoping has had in mind since the Third Plenary Session of the 11th CPC Central Committee.

Jiang Zemin urged party cadres at all levels, and especially senior cadres, that to improve their leadership and improve the efficiency and art of their leadership, not only should they study and grasp the series of strategic thoughts, theoretical views, and decisionmaking principles put forth by Comrade Xiaoping since the Third Plenary Session of the 11th CPC Central Committee, but they should also study his truth-seeking spirit and his Marxist stand, viewpoints, and methods when he studied new situations and resolved new problems.

Jiang Zemin emphatically pointed out: Guided by the party's basic line characterized by "one center and two basic points" which Comrade Deng Xiaoping set, and his theory about building a socialist society with distinctive Chinese characteristics, China's modernization drive has been following the correct course of development and the nation has achieved world-renowned success. This is a new historic service that he has performed for our party, country, nation, and people; and this is the most important reason that China's socialist cause could withstand the stringent test and remain undefeated during the changing international climate. We can absolutely say that the way of socialist construction with Chinese characteristics and the formation of relevant theories, lines, and general and specific policies indicate that our socialist cause has entered a new stage of development, and that our party has achieved a new leap forward in understanding socialism from a scientific perspective.

When touching on ways to reach an in-depth understanding of and fully implement the guidelines contained in Deng Xiaoping's important remarks, Jiang Zemin expounded the following nine issues. First, the issue of seizing the current favorable opportunity to accelerate reform, opening, and the development of economic construction; second, the issue of reform being another kind of revolution as well as a liberation of productive forces; third, the issue of vigorously learning and borrowing useful things from capitalist countries; fourth, the issue of accelerating reform of the economic system; fifth, the issue of promoting reform of the political structure; sixth, the issue of persisting in the policy of reform, opening, economic construction, cracking down on crime, exterminating social evils, and doing a good job of building socialist spiritual civilization; seventh, the issue of emancipating the mind, seeking truth from facts, keeping vigilant against "rightist" deviations while primarily paying attention to guarding against "leftist" deviations [Beijing XINHUA Domestic Service in Chinese at 1719 GMT on 14 June transmits a correction

removing quotation marks from the word "rightists" in the previous phrase]; eighth, the issue of strengthening party building and raising the party leadership's level; and ninth, the issue of implementing the requirements of the guidelines of Comrade Xiaoping's important remarks.

When talking about quickening the development of economic construction, Jiang Zemin said that we should seek a vigorous rate of development for the national economy. Slow development will not do, nor will letting development reach a standstill. It is like "steering a boat against the current. We will be driven back if we do not forge ahead." At present, it is necessary to pay attention to the following: First, we should firmly seize this opportunity, do our best to create good conditions, and strive to advance at a faster pace; above all we must not let the opportunity escape and fail to move ahead with development because of an excessive concern for stability. Second, because the situation and conditions in various localities differ greatly, we must persist realistically regarding the speed of development and avoid setting uniform rules for all areas. We should let areas quicken their development speed if they possess the right conditions for quick development. Areas should dare to pursue quicker development as long as they can maintain high quality, as long as the development speed will produce good economic efficiency, and as long as the development speed is well adapted to market requirements. Third, it is necessary to change concepts. When talking about accelerating development, we should guard against retracing the old path of a single-minded pursuit of output value, production goals, and of expanding the capital construction scale. It goes without saying that we should carry out some new and necessary capital construction projects, but our main focus should be directed toward seeking speed and efficiency in the areas of deepening reform, promoting technological progress, increasing the production of high-quality new products, developing an export-oriented economy, effectively utilizing foreign capital, and raising enterprise quality. The development speed thus realized will be not only good but also fast and will not incur large risks. Fourth, central departments in charge of the economy are urged to make further efforts to help localities and enterprises carry out analysis and studies, seek ways to improve enterprises, help create favorable conditions for them to accelerate development, provide good services in a down-to-earth manner, and help improve macromanagement. To sum up, it is necessary to follow Comrade Xiaoping's instructions of lifting restrictions imposed on enterprises instead of blocking the road to their development.

When discussing reform being another kind of revolution as well as a liberation of productive forces, Jiang Zemin pointed out that the highly centralized planned economic system that we practiced for a long time in the past did play an important role; however, because such an economic system has the shortcomings of having an overconcentration of power and of neglecting or even rejecting a commodity economy and the role of the

market, it has become more and more ill-adapted to the requirements of modernized production development; it impedes the development of productive forces; and it tends to choke off the entire economy, making it lose vitality. Therefore, we must fundamentally reform such a highly centralized planned economic system. Failing that, it will not be possible to realize China's modernization. The purpose of reforming the past economic system is to remove the obstacles that are not conducive to developing productive forces and to bring about further liberation of productive forces. In this sense, we may say that reform is another kind of revolution and that reform is also a kind of liberation of productive forces.

When talking about learning from and borrowing experiences from capitalist countries, Jiang Zemin stressed the need to pay further attention to this matter. Accelerating the pace of reform and opening should include bold absorption and learning from all the achievements of civilization and mankind, and in absorbing and learning from the advanced management methods of other countries in the contemporary world, including capitalist developed countries in the West.

While discussing reform of the economic system, Jiang Zemin pointed out: The fundamental task for accelerating the reform of the economic system lies in establishing a new socialist economic system in good time. In establishing a new economic system, the key issue is to obtain a correct understanding of problems concerning economic planning and market regulation and their mutual relationship. In other words, we should pay more attention to and play the role of market regulation in the allocation of resources under state macroeconomic policies. We have been steadily increasing our understanding of this issue since the Third Plenary Session of the 11th CPC Central Committee. This is a normal process, which shows that it is impossible to understand objective facts in a single attempt. It is particularly true that scientific understanding of some important issues can only be reached after repeated studies, discussions, summing-up, and improvement through practice. It is fair to say that, after more than 10 years of groping and summing up experiences gained at home and abroad, our understanding, both in theory and practice, of establishing a new socialist economic system is relatively ripe. Our party as a whole has been further unified in this understanding. We are perfectly ready to enter a phase of accelerated reform.

Jiang Zemin pointed out: In accelerating the establishment of a new economic system, it is necessary for us to solve the following key issues. First, we should change the function of governments by conscientiously separating the function and duty of governments and enterprises. Second, we should pay particular attention to changing the management mechanism of enterprises, particularly that of state-run large- and medium-sized enterprises. We should expand enterprises' decision-making power. Third, we should renew our idea of economic planning and change the function and method

of planning and management. Fourth, great efforts should be made to bring about market regulations and establish a unified and perfect socialist market.

While discussing reform of the political system, Jiang Zemin said: Ours is socialist reform—an improvement on the original system, which has been troubled by corrupt practices. Our aim is to improve and invigorate China's socialist system. In reforming our political system, we will not follow the way of Western democracy. Our goal and orientation is to build a socialist democracy with Chinese characteristics, improve the socialist legal system, and conscientiously safeguard the rights of the people as the master of the country. We will continue to improve the system of people's congresses and the system of cooperation by multiple parties and political consultations under the leadership of the Chinese Communist Party. Meanwhile, we will revitalize party and government organs and their leading groups by taking measures to make their cadres more revolutionary, younger in average age, better educated, and professionally more competent. We will increase their decisionmaking and operational efficiency by restructuring and streamlining administrative organs and by combating bureaucratism and formalism. Also, we will fully mobilize the initiative of all trades and professions and the masses at the grass roots by separating the responsibilities of government and enterprises and decontrolling powers.

Jiang Zemin urged leading cadres at all levels to continue to "grasp with two hands"—namely, in cracking down on crime while exercising leadership over reform and opening up. He said: This should become an important guiding thought, method, and art for leading the modernization drive and reform and opening-up programs. Why should we "grasp with two hands?" There are two reasons. First, the reform and opening up processes have opened our doors to foreign countries, letting in good things as well as bad and decadent things, which have had negative influences on our people, especially young people, and have even poisoned them. To "grasp with two hands," we can effectively guard against all sorts of vile phenomena or curtail their occurrence. Second, the various endeavors of our socialist modernization drive are mutually coordinated, and they will develop in all areas. Not only will our economic construction succeed, the people's political awareness, sense of ethics, scientific and academic proficiency, and their sense of social order and public conduct must also be heightened. Only then can we bring about overall social progress and ethical development in our society as a whole. "Grasping with two hands" specifically seeks to achieve this objective.

Touching on the issue of emancipating the mind and seeking truth from facts, Jiang Zemin said: Emancipating the mind is the spirit of a very important principle stressed by the Third Plenary Session of the 11th CPC Central Committee. It would be very difficult for us to proceed with all our work if we had not emancipated our minds or changed our way of thinking. Once we have

emancipated our minds and adopted a flexible way of thinking, we will be able to examine problems from many perspectives and will then have more measures and a wider road for us to carry out all our work, whether it be discovering and promoting qualified personnel, surmounting difficulties and obstacles confronting us in our efforts to make progress, or blazing new trails and pioneering in new undertakings; therefore, it may be said that emancipating the mind is a magic weapon that will enable us to consistently maintain a vigorous vitality in our ideology and in our work and in which we must persevere together with construction and reform over a protracted period of time. By emancipating the mind, we mean taking bold steps to smash the bonds of backward, conventional concepts, excelling in making all our efforts correspond with reality, and making efforts to blaze new trails and move ahead.

Jiang Zemin pointed out: Regarding the issue of preventing and opposing erroneous tendencies, we must be on guard against the right; however, our primary focus must be guarding against the "left." Real life shows that "leftism" finds expression mainly in the previous understanding of certain Marxist principles and dogmas, in the unscientific—or even totally distorted—understanding of socialism in the past, or in those incorrect thinkings and policies which overstepped the initial stage of socialism. The "leftists" choose to remain at such a level of understanding, instead of using the Marxist stand, views, and methods to analyze the objective realities that have changed; therefore, it is not easy for them to accept the correct policy calling for implementing reform and the opening policies. They even doubt and negate reform and the opening policies. Maintaining that implementing reform and the opening policies will lead China to the capitalist road, they still use this kind of thinking in the past that advocates "taking class struggle as the key link" to influence and even lash out at the central task of economic construction. The right is mainly manifested in doubting and negating the four cardinal principles, advocating bourgeois liberalization, and even stirring up political turmoil in an attempt to change our socialist system and the correct orientation guiding our implementation of reform and the open policy. It does not matter if it is the "left" or the right; both are capable of burying socialism and doing tremendous harm to the party.

Jiang Zemin said: In his speeches, why did Comrade Xiaoping say that we must be alert to rightist tendencies, but we must mainly guard against "leftist" tendencies? This is very important, and we must understand this point thoroughly, because "leftist" mistakes ran rampant and had a great impact for a long period of time in the history of the party. In opening up a new trail and in transforming the outdated modes and methods that hamper the development of productive forces in the course of economic development and reform, resistance often comes from the "leftists." Because people are easily misled by "leftist" influences under the guise of revolutionary motives, we must all the more remind our

leading cadres that they must pay particular attention to guarding against interference by "leftists."

Jiang Zemin also pointed out: Both "left" and right tendencies are one-sided. They originate from subjective idealism. To be alert for rightist tendencies but to focus on guarding against "leftist" tendencies, we must encourage party members, particularly leading cadres, to enhance their understanding of the harm of rightist and leftist tendencies—but particularly "leftist" tendencies—through studies, and to consciously sum up their experiences in light of their thinking and actual working conditions, thereby enhancing their consciousness and their resolution to implement the party's basic line. In this way they will unite more closely with comrades of the whole party to work diligently together to bring about a new situation in economic construction, reform, and opening to the outside world.

On strengthening party building and improving party leadership, Jiang Zemin said that to advance the cause of building socialism with Chinese characteristics in a comprehensive way, we must effectively improve party leadership and enhance the party's combat strength. Because historical conditions have changed, the social environment has changed, and the party's tasks have changed, it is necessary to correspondingly change or improve party building and the mode and method of party leadership. We should continue to apply and develop our accumulated successful experiences in party building in light of the new situation, but it is not enough to rely entirely on previous experiences and methods. There must be new discoveries and innovations. This requires us to act upon Comrade Deng Xiaoping's thinking on building socialism with Chinese characteristics and make vigorous efforts, both theoretically and in practice, to advance party building in a comprehensive way in the course of economic construction, reform, and opening to the outside world.

In conclusion, Jiang Zemin stressed that, to implement the guidelines contained in Comrade Xiaoping's speeches and to implement the central authorities' work plans, we must take concrete action in accordance with local conditions. We must work conscientiously, avoid empty talk, and do more practical work to ensure good results.

Theorists' Meeting Opposes Leftist Tendencies

HK1506041392 Hong Kong MING PAO
in Chinese 15 Jun 92 p 5

[Report: "Beijing Theoretical Circles Oppose Leftist Tendencies"]

[Text] According to news from Beijing, Beijing's theoretical circles held a "Symposium on Reform, Opening Up, and Making the Country and People Prosperous" yesterday in response to Deng Xiaoping's talks made during his southern trip. The participants enthusiastically delivered speeches, stressing the importance of opposing leftist tendencies. Noted theorist Wang Ruoshui pointed

out that the current danger in China comes mainly from leftist tendencies, so we must prevent the anti-leftist drive from becoming an antirightist one.

Around 100 people, mainly from Beijing's young theoretical circles, took part in the symposium. The sponsors include Yuan Hongbing, chief editor of the banned book "Historical Trend" and lecturer of the Law Faculty of Beijing University. Noted intellectuals invited to the symposium include Wang Ruoshui, Wu Zuguang, Qin Chuan, Li Rui, Sun Changjiang, Zhang Xianyang, Shao Yanxiang, and Zhang Yang, author of the novel "Shaking Hands on a Second Occasion," who was the target of criticism during the cultural revolution.

The symposium was co-sponsored by XIAN DAI HUA [MODERNIZATION], JINGJI LILUN YU JINGJI GUANGLI [ECONOMIC THEORIES AND MANAGEMENT], the Association of Chinese Scientific and Technological Industrialists, the editorial committee of LISHI DE CHAOLIU [HISTORICAL TREND], and the New China Youth Historical Research Society.

The symposium is named after the title "Historical Trend" given by CPC founder Bo Yibo to a book, a collection of antileftist essays supporting Deng Xiaoping's talks made during his southern trip. The book was banned by the party committee of the People's University not long after its publication. The symposium was presided over by Yuan Hongbing, chief editor of the book and lecturer of the Law Faculty of Beijing University. In his opening address, Yuan stressed the importance of opposing leftist tendencies in China at present.

In his speech, Wang Ruoshui, noted theorist on humanitarianism, pointed out that the current danger in China comes mainly from leftist tendencies, so we must be very prudent in preventing the repetition of the past mistake of turning the antileftist drive into an antirightist one. He said: Experience and lessons from CPC history show that the antileftist drive was turned into antirightist one on several occasions, resulting in serious mistakes. The 1959 Lushan Conference is a typical example. Now Deng Xiaoping has raised the question of "mainly opposing leftist tendencies," but the conservatives still insist that "peaceful evolution" constitutes the greatest danger.

Wang Ruoshui continued: In fact, the question of cadres involved in corruption is not necessarily connected to bourgeois ideas. There were corrupt officials long ago in China's feudal society. The question of absolute power of the ruling party gives rise to absolute corruption. Therefore, the problem of corruption can only be resolved by relying on democracy and rule by law, rather than simply criticizing decadent capitalist ideas.

Wang Ruoshui, 67, former deputy editor-in-chief of RENMIN RIBAO, was expelled from the party in the 1987 drive to oppose bourgeois liberalization. This is the first time over the past three years that he has delivered a speech at a public symposium. Wu Zuguang, a noted dramatist and member of the Chinese People's Political Consultative Conference [CPPCC], who was asked to

withdraw from the party during the 1987 drive against bourgeois liberalization, said humorously at the symposium: The term "bourgeois liberalization" does not make sense because the bourgeoisie has always been the target of criticism so it is not liberal at all. The term "liberalization" should be attributed to the proletariat.

Reports Differ on Chen Yun Visit to Guangdong

'Reliable Source' on Arrival

HK1306064492 Hong Kong HSIN PAO
in Chinese 13 Jun 92 p 1

["CPC Senior Chen Yun Inspects Guangdong"]

[Text] According to a reliable source, CPC senior Chen Yun arrived in Guangdong several days ago, but as of now, it is not known whether or not he will inspect the Shenzhen Special Economic Zone [SEZ]. Early this year, Chen Yun sent his confidential secretary to Shenzhen and Zhuhai SEZ's to find out about the conditions there.

Chen Yun's current trip to Guangdong is extraordinarily eye-catching because in the world's eyes, Chen Yun is a representative of the conservatives and opposes excessive market-oriented reform and opening up in addition to the fact that he is the sole CPC senior leader who has never set foot in any SEZs.

CPC leader Deng Xiaoping was on an inspection tour of China's southern province of Guangdong last March; he visited Shenzhen and made a series of remarks, requiring a still faster pace in reform and opening up and an accelerated growth rate, while affirming the Shenzhen SEZ's accomplishments. Later, the CPC Central Committee relayed the spirit of Deng Xiaoping's remarks during his southern inspection in the form of Central "Document No. 2" to cadres at all levels.

In its wake, all CPC seniors expressed where they stood one after another. As another source disclosed, Chen Yun also expressed where he stood at a March Central Advisory Commission session, at which he approved the said document and agreed to "opposing leftism." On the eve of 1 May, International Labor Day, Chen Yun, in the capacity of Central Advisory Commission chairman, heard a work report delivered by the Shanghai municipal party committee and government. According to XINHUA coverage at that time, Chen Yun told Shanghai Mayor Huang Ju with a smile: "Is it not true that some reporters have tried to find out from you about Chen Yun's attitude toward Pudong's opening up and development? Your answer was well made. I am all for developing Pudong and its opening up!"

Chen Yun made a public appearance on Shanghai's television in support of Pudong's developmental project, which caused a great stir in overseas public opinion; consequently, the Hong Kong stock market quotations went up by a wide margin. Since then, overseas media has continuously spread the news of Chen Yun's possible

inspection of the Shenzhen SEZ. Now, Chen Yun's inspection of Guangdong has eventually been verified.

In mid-May this year, news spread that Chen Yun had sent his confidential secretary to the Shenzhen and Zhuhai SEZ's to learn about their development in recent years. Chen Yun's confidential secretary has investigated the Shenzhen stock market's operation and visited some high-tech projects and joint-ventures in Shenzhen. In addition, during his stay in Zhuhai, Chen Yun's secretary also heard a report from its Mayor Liang Guangda, and visited Zhuhai's industries. Chen Yun's confidential secretary wrote an report on what he had seen and heard during that trip and handed it to Chen Yun for reference. This act also stimulated a sharp rise in Shenzhen's stock prices. Although Chen Yun had never set foot in the SEZ's, his wife, Yu Ruomu [0060 5387 2606], has made frequent trips to Shenzhen and Zhuhai; his youngest son runs a real estates and trade company in Shenzhen; and his daughter, Chen Weili [7115 0251 0500], is China New Technology Pioneering International Company, Ltd. board director, and the company has the greatest holding of China Asset, which is listed in Hong Kong. Chen Yuan, another son of Chen Yun's, is currently a People's Bank of China vice president, and was in Hong Kong to participate in the Asian Development Bank annual meeting last May.

Chen Yun's real name is Liao Chenyun [1675 7115 0061], he is originally from Jiangsu Province, and joined the CPC in 1925. In 1929, he was appointed Jiangsu Provincial CPC Committee secretary, concurrently secretary of its peasant movement committee, and engaged in the workers' movement. Since the PRC's founding, Chen Yun has been in charge of financial and economic work. In 1956, he ranked fifth in order of seniority at the CPC top echelon. During the Great Cultural Revolution, Chen Yun was frozen by Mao Zedong, and sat idle for many years. In the wake of Deng Xiaoping's comeback, Chen Yun was appointed State Council State Finance and Economy Commission director to mend the economy facing collapse.

Chen Yun's economic concept has been referred to as the "caged economy," namely limited economic liberalization. In 1984, he opposed Deng Xiaoping's policy of further opening 14 coastal cities; and in 1989, he supported Deng Liqun and his ilk in pursuing eradicating spiritual pollution, and thus, he is regarded the supreme leader of the CPC conservatives. Chen Yun is 87 years old this year.

'Informed Source' Denies Visit

HK1406065792 Hong Kong MING PAO
in Chinese 14 Jun 92 p 24

[Report: "Hearsay About Chen Yun's South China Tour Is Suspected To Be Rumor Fabricated by Shenzhen Stock Investors"]

[Text] According to hearsay, Chen Yun, chairman of the CPC Central Advisory Commission, is now on an

inspection tour in Guangdong, but this has been denied by an informed Guangzhou source who pointed out that Chen Yun could not come to Guangdong for the moment because of his health condition.

It is said that the aforementioned hearsay first came out from the stock market in Shenzhen, and it is probably a rumor fabricated by some Shenzhen stock investors who wished to prop up stock prices which have continued to decline in the past few days.

The informed source revealed that 87-year-old Chen Yun is not in very good condition at the moment. As it is not convenient for him to move around, he cannot come to Guangdong. Chen Yun's absence from Guangdong does not mean he has a prejudice against the province. The informed source confirmed that Chen Yun's secretary did visit the Zhu Jiang Delta earlier to conduct a survey, and returned afterward to report to Chen on the progress in reform and opening in the province.

From early May till now, there have been two reports mentioning Chen Yun's visit to Shenzhen and some other places. It is said that the news has been spreading in the Shenzhen stock market. The informed source said it is guessed that this may be a trick played by some stock investors in Shenzhen in the hope of propping up the declining stock market. In early May, this hearsay caused a rebound of stock prices which had been declining for a while. The stock prices not only rose to the previous level but even soared to the new height of 258 points on the stock index curve, and the bull market finally broke through 300 points.

Last week, the Shenzhen stock exchange fell again. The stock index dropped to 264.75 points, with a decline margin of about 35 percent. Given this context, it is guessed that some Shenzhen stock investors have tried again to stimulate the stock market by a means which had been proved "effective."

The informed source also denied the hearsay that Guangdong provincial party committee Secretary Xie Fei had already accompanied Chen Yun on his tour for several days. He noted: Xie Fei was on a visit to Japan from 2 to 11 June, and he will return to Guangdong via Hong Kong. He had not arrived in Guangdong by yesterday, however. Even if Xie Fei had already returned to Guangdong, Guangzhou would not have been his first stop.

It has been learned that Chen Yun's last public appearance was in late April when he met with Shanghai leaders in the municipality. Having heard the municipality leaders' briefing, Chen Yun aired his endorsement of reform and opening up. He said: "I would give full support to the Pudong development project. Let's develop Pudong!" So far, however, Chen Yun has never openly commented on the endeavor of Guangdong province, especially the special economic zones of Shenzhen and Zhuhai. For this reason, it is quite natural that

people in these places may speculate, in one way or another, about Chen Yun, and this has given rise to many versions of hearsay.

Will Chen Yun really pay a visit to Guangdong? When will he visit Guangdong? The informed source said he has "no idea about it." However, "given his advanced age and his present health condition, he would not come here at this moment when the weather is bad in the south," the informed source said.

Shanghai Police Chief Admits Worker Resistance

*HK1506100292 Hong Kong AFP in English
0945 GMT 15 Jun 92*

[Text] Beijing, June 15 (AFP)—Shanghai's police chief has acknowledged that some workers have gone on strike and taken other reprisals against factory managers who answer senior Chinese leader Deng Xiaoping's call for faster reform.

"A minority of employees have gone on strike, staged sit-ins, applied to hold demonstrations and disturbed the work of factory managers," Zhu Daren said. "In some cases, they have even caused injury to officials and disrupted production."

In an interview with the Shanghai Legal Daily, the Public Security Bureau chief gave one of the clearest official acknowledgements of violent resistance to labor reforms.

Cases of threats and reprisals against factory managers have been reported in other areas of the country.

Zhu also acknowledged that police brutality has been a "serious problem" in Shanghai, a major industrial center and port and China's most populous city.

The worker unrest came, he said, when Shanghai's state-owned enterprises introduced reforms to break the "three irons"—iron rice bowls (guaranteed lifetime employment), iron salaries (fixed wages), and iron arm-chairs (guaranteed official positions).

Peasants had made "unrealistic demands" and threatened to protest when their land was appropriated for the city's Pudong economic area, the official said.

"It cannot be denied that reform and opening will bring society some public security problems," Zhu said. But he said the solution did not lie in cracking down on public activities.

"To serve reform and opening well, we must overcome the past thinking of seeking stability and fearing chaos. If we fear the eruption of problems at art exhibits and sales exhibitions and limit them too much ... we are limiting economic development. So we must change this kind of thinking," he said.

Zhu's remarks appeared in the Shanghai Legal Daily's June 11 edition, which was received here Monday.

The chief also spoke out against police brutality, saying, "It cannot be denied that for a time police beating, insulting and torturing was a serious problem."

But he said that this year his department had organized investigations into allegations of police torture.

"Some people think a little police brutality is inevitable," Zhu said. "But I think this is wrong. Competent police should work with proof and the law instead of torturing suspects."

The police chief was speaking after patriarch Deng visited Shanghai in March and issued instructions to "grasp with two hands"—on the one hand pushing forward reform and on the other cracking down on crime.

Zhu, 55, said he had been with Deng during the visit as part of the 87-year-old leader's security detail and had listened carefully to Deng's instructions.

Student Imprisoned for Tiananmen Speech Freed

HK1506102092 Hong Kong AFP in English
0955 GMT 15 Jun 92

[Text] Beijing, June 15 (AFP)—A Chinese student jailed for leading a protest to mourn the 1989 Tiananmen Square crackdown was freed after completing a two-year sentence, friends said Monday.

Li Minqi, a former economics major at Beijing University, was released early Sunday and returned to his family's home in the Chinese capital, they said.

The 23-year-old visited the university after walking out of a Beijing prison and appeared in good health, they said.

Li was expelled from school and arrested on June 15, 1990 after calling China's communist party leaders "wild and savage autocrats" in a speech during a protest to mark the first anniversary of the June 4, 1989 crackdown.

He was held without trial until December last year and finally sentenced on February 25 for "counter-revolutionary propaganda and incitement," but was released under a government policy crediting time served before sentencing.

Li addressed hundreds of students at the spontaneous midnight rally and was labelled the "chief instigator of an anti-party conspiracy." He had also been a member of Beijing's independent student union during the 1989 protests.

During his impromptu speech, he called for an elective body to supervise the government, which has a monopoly on power.

A fellow activist at Beijing University, Peng Rong, was freed after finishing a two-year prison sentence May 26 and several other dissidents are set to be released in the coming months.

Economic & Agricultural

Tian Jiyun on Plans To Open More Areas

HK1006124192 Hong Kong WEN WEI PO
in Chinese 5 Jun 92 p 2

[Dispatch from Beijing by staff reporters: "Vice Premier Tian Jiyun Demands Rapid Action Be Taken To Open Riverside and Border Areas to Outside World"]

[Text] Beijing, 4 Jun (WEN WEI PO)—According to sources here, the CPC central authorities have decided to adopt new measures for further advancing the opening to the outside world: Such cities along the Chang Jiang as Wuhu, Jiujiang, Wuhan, Yueyang, and Chongqing will adopt favorable policies as those in the coastal cities; at the same time, nine cities and counties in Guangxi, Yunnan, Xinjiang, and Inner Mongolia will also be opened to the outside world. Thus, areas along the coastline, along the major rivers, and along the borderline will be opened up completely.

According to sources, Vice Premier Tian Jiyun recently said that the central authorities emphasized the need to open up the border and riverside areas in a well-planned and orderly way. China's practice in the past 10 years shows that in the efforts to handle China's affairs well, the results would be too slow if only the eastern coastal areas are opened to promote the development of the vast areas in other parts of the country. In order to achieve the second-step and third-step strategic objectives in our country's national development, it is now necessary to open up the border and riverside areas. Tian Jiyun said: If we do not seize the opportunity and take action as soon as possible, history will prove that we are incurring a major loss.

According to sources, China's opening is extended from the coastal areas to the riverside, border, and other inland areas; and an across-the-board opening pattern is taking shape in the whole country.

China's top policymakers are putting forth a series of new measures for expanding the scale of opening up to the outside world. These new measures will be related to the opening of cities along the banks of the Chang Jiang, some border cities and counties, and some large inland cities, and the scope of their direct use of foreign funds will be expanded.

It is learned that such cities as Wuhu, Jiujiang, Wuhan, Yueyang, and Chongqing along the Chang Jiang will adopt policies similar to those in the coastal cities.

Corresponding to the opening of the coastal areas, China will open a number of border cities, counties, and towns, thus forming a pattern of opening along the borderline.

In addition to the four cities, namely, Heihe and Suifenhe of Heilongjiang, Huichun of Jilin, and Manzhouli of Inner Mongolia, which the central authorities have decided to open up, another nine cities, counties, and towns in Guangxi, Yunnan, Xinjiang, and Inner Mongolia will also be opened.

In addition, the scope of utilizing foreign capital will be gradually extended to finance, trade, transportation, commerce, tourism, and other parts of the tertiary industry.

Ministry Urges Relaxed Foreign Investment Rules

HK1506040292 Hong Kong CHING CHI TAO PAO
in Chinese No 22, 8 Jun 92 p 25

["China Economic News" Article: "Ministry of Foreign Economic Relations and Trade Proposes Relaxation of Foreign Investments Policy"]

[Text] According to a Ministry of Foreign Economic Relations and Trade [MOFERT] source, the ministry recently invited over 40 people in charge of work concerning foreign investments, from various provinces and cities across China, to participate in a discussion meeting. The topic on the agenda was further relaxation of the foreign investments policy, including relaxation of the proportion of products of foreign-funded enterprises for the home market and allowing some hinterland regions to enjoy the preferential policy for coastal open cities in foreign investments. MOFERT has already formulated a proposal which has been submitted to the State Council for examination and approval.

A well-informed source said that the proposal's main contents are as follows: The proportion of hi-tech projects' products for the home market is to be relaxed; a preferential policy to attract foreign investments in hi-tech projects; a preferential policy to attract foreign investments in projects of transforming old enterprises; allowing some provinces and cities in the hinterland to enjoy the preferential policy of coastal open cities in foreign investments; and selecting some areas for foreign investments in retail business, communications and transportation, and banking, on an experimental basis.

Earlier, MOFERT officials stated that China plans to extend the realms for foreign investments in China and gradually open up previously off-limits areas in investment, such as the retail business, banking, and consultancy.

On the issue of opening up the retail business to foreign investments, MOFERT officials recently explained that the opening is to be conducted across China simultaneously but on an experimental basis by selecting some cities where conditions are ripe. Presently, Beijing, Shanghai, Guangzhou, and Shenzhen are most likely to be selected.

Trade Official 'Confident' of Greater Investments

HK1406064792 Beijing CHINA DAILY
(BUSINESS WEEKLY SUPPLEMENT) in English
14 Jun 92 p 1

[By Wang Yong: "China Prepares To Open Up Wide and Swallow \$25 Billion"]

[Text] China hopes to attract at least \$25 billion in foreign investment in the next five years, while readying moves to open its market wider.

This would outstrip the figure for the 12 years to 1991, which was \$23.3 billion. [sentence as published]

A top Chinese trade official said a new rush of foreign investment in China is in the making.

"But even with \$25 billion, direct foreign investment would account for only five percent of China's total investment in fixed assets," said Jiao Sufen, director general of the foreign investment administration under the Ministry of Foreign Economic Relations and Trade (Mofert).

She said she was confident of constant expansion of foreign investment in China in the next few years.

China will use industrial priorities as a major leverage for foreign investment.

That means different policies for different places according to their varied industrial and infrastructural standards will be played down.

"Foreign investment in high-tech sectors will enjoy uniform favourable policies, irrespective of their locations," she said.

Until now, only open cities or special economic zones can offer preferential treatment for foreign investment.

High-tech products involving foreign funds will be allowed greater access to the country's vast market, she said.

China also is to espouse more flexible policies toward attracting foreign investment in its service industry.

"Foreign investment in the service sectors, such as finance, commerce transport and consultancy, is expected to grow with less restrictions," she said.

The service sectors so far have attracted 10 percent of total foreign investment.

The government will allow foreign businesses to engage in retail sales in certain cities and scenic spots.

Jiao said the country is to hammer out a package of regulations steering the introduction of foreign money in the service sector.

Chinese law-makers are thrashing out and revising the provisions and clauses affiliated to the regulations for the

implementation of the law on Sino-foreign equity and contractive ventures, with the purpose of extending equal treatment to domestic and foreign-funded ventures.

"That will land us closer to international business norms," Jiao said.

She said the institution of stock holding mechanism in State-run enterprises could be a good way of attracting foreign investment.

Mofert official, Wang Liaoping, said direct foreign investment is moving towards the construction of infrastructures as never before.

"The bulk of the infrastructure construction has been facilitated by loans from foreign governments or international organizations," he said.

Latest Chinese statistics show promised foreign investment in China in the first four months this year was \$7.8 billion, involving 6,400 ventures.

The number of joint ventures doubled the figure of the corresponding period last year, while the number of foreign wholly-owned ventures increased 20 percent.

The average involvement of foreign investment in a single project from January to April was \$1.34 million, compared with \$980,000 in the same period last year.

Total foreign investment contracted last year was \$11 billion in 12,000 projects.

Jiao said China is now negotiating with South Korea, Japan and the United States about projects involving more than \$100 million in foreign investment.

Economist Sees 'Mature New' Structure in 30 Years

HK1106011092 Hong Kong ZHONGGUO TONGXUN SHE in English 1322 GMT 10 Jun 92

[Text] Beijing, June 10 (HKCNA)—China's top echelon is determined to push China to a new stage of thorough reform with liberation and development of the productive forces, but another 30 years is necessary to establish a mature new economic structure with integration of planning and market, the Vice President of the Chinese Academy of Social Sciences, Mr. Zheng Bijian, a well-known economist, said in an article written recently.

Mr. Zheng divided China's reform into three stages. The first stage started from the time of the Third Plenary Session of the Central Committee of the 11th Congress of the Communist Party of China in 1979 and finished at the end of the 1980's. In this stage, the pattern of reform was developed and the way of reform was clarified. The second stage is the 1990's when the framework for the new economic structure with integration of planning and market will be basically set up. The third stage is the first two decades of the next century when the theme will be reform and opening to the outside world with the cultivation and development of the market system as well as

participation of a deeper and broader competition in the international market as the most urgent task.

This high-ranking economic official believes that China will devote itself whole-heartedly to economic construction, unless a big-scale foreign invasion were to occur. He is confident that China will be a medium-level developed country by the middle of the next century.

'Liberal' Economists Urge Support for Deng

HK1006045992 Hong Kong SOUTH CHINA MORNING POST in English 10 Jun 92 p 9

[By Daniel Kwan]

[Text] Liberal economists have redoubled efforts to lobby popular support for patriarch Mr Deng Xiaoping's reform initiative.

According to the latest issue of the monthly China Digest, a group of liberal economists has argued that China should adopt more capitalist-style economics to re-invigorate the economy.

Mr Wu Jinglian, a noted State Council economist, said unless China got rid of the Stalinist centrally planned economic model and adopted a market-oriented one, reform would be doomed.

Mr Gao Shangquan, vice-chief of the Commission for Restructuring the Economy, praised the vibrant economy of the Pearl River Delta, saying its success had proven the superiority of the market economy.

In the articles in China Digest, the two men stressed that China should move faster to reform its centrally planned economy.

Another scholar, Mr Mao Jianguo, said China could not retreat from the road to a market economy.

The pro-Beijing journal quoted the Minister of Materials, Mr Liu Suinian, as saying the Government was prepared to introduce radical reform measures.

"Some of us used to have what we called a 'phobia of market', but this has evaporated after what Deng Xiaoping said in his tour of south China," Mr Liu was quoted as saying.

State Council Forum Urges Quicker Housing Reform

OW1206042392 Beijing XINHUA in English 0118 GMT 12 Jun 92

[Text] Beijing, June 12 (XINHUA)—The group in charge of housing reform under the State Council has called on local governments to accelerate housing construction and reform within the next 12 months.

At a special meeting, the group recommended that house rents be raised to encourage people to buy their own homes, and as a means of persuading tenants to vacate homes that are too large for their needs.

The meeting warned against the illegal sale of some homes by local governments and institutions and against selling houses at too low a price. Local governments throughout the country was called on to collect more funds for housing construction and set up the housing fund as soon as possible.

Further on Meeting

OW1106181992 Beijing XINHUA Domestic Service
in Chinese 0635 GMT 11 Jun 92

[Text] Beijing, 11 June (XINHUA)—A conference held recently by the Leading Group for Housing System Reform under the State Council made a nationwide analysis of the implementation of housing reform so far this year. The conference also studied and proposed some guiding opinions and measures to ensure that housing reform would proceed soundly.

The conference first asked all localities and departments to strengthen their leadership over housing reform and attend to the task in earnest as an important part of the reform program. Leaders of localities or cities where housing reform plans have not been put into practice or have yet to be devised should quickly carry out the State Council's instructions. They should try to set a comprehensive housing reform in motion within this and the next year. In particular, such a comprehensive housing reform should be implemented within this year in provincial (autonomous regional) capitals, coastal cities, and towns where conditions are ripe.

The conference called on localities to follow the principle of making the state, units, and individuals share the cost of housing reform in a reasonable way. As localities are at varied stages of economic development, rent increases should be decided on the basis of the financial capabilities of the people, and the wrong practice of trying to outdo each other in lowering rent should be corrected. After Shanghai and Jiangsu launched their housing reform plans, some localities managed to pay lip service yet did little to raise rent, thereby undermining the results of their housing reform. The experiments carried out in Yantai, Bengbu, and Tangshan and by a number of large enterprises and units show that as long as they are reasonable, large increases in rent can help curb irrational demands for excessive or better houses—a good example of using economic means to correct the disparity in the distribution of housing. Failing to raise rent will offer no internal motive for residents to want to buy houses, which, in turn, will make it difficult to establish a favorable circle and turnover of housing funds as soon as possible. Moreover, it will also make it hard to turn houses into commodities, gear housing construction to social needs, and stimulate the development of the real estate market. Therefore, it is necessary to draw on the experience of readjusting the prices of grain and edible oil, and efforts should be made to ensure that rent increases will achieve the level required in the

last three years of the "Eighth Five-Year Plan" and that the goal set in the "Eighth Five-Year Plan" will be fulfilled smoothly.

The conference also asked localities to check the practice of selling houses at excessively low prices. Pertinent documents issued by the State Council stress the principle of selling houses at standard prices with the relinquishment of partial property rights. Buying houses at standard prices with partial property rights is an important policy to observe for the time being. Otherwise, it will be difficult to ensure the recovery of funds and to establish a favorable circle of funds, and new disparities in the distribution of housing will result. It is currently inadvisable for localities to break away from the rent-increase policy—the central link of housing reform—and press ahead with the practice of selling houses at low prices on preferential terms. Instead, localities should act in a patient and down-to-earth manner to create conditions, surmount difficulties, and successfully carry out the rent-increase policy. Once they achieve this much, they should then promote and encourage the sale of public houses.

The conference urged localities to make conscientious efforts to raise funds and provide financing instruments to stimulate housing construction. Currently, the foremost task is to quickly establish a housing fund and convert funds collected through old housing investment channels into this fund. Investments for major housing construction projects should be channeled through the housing fund in a bid to gradually replace old methods with the new system. Management of the utilization of funds should be strengthened to ensure special funds are used for designated purposes only. Efforts should be made to provide mortgage loans and insurance services for home-buyers as soon as possible and to encourage workers to buy houses. Meanwhile, it is necessary to establish a favorable circle of housing funds to ensure continued input of housing funds and increase the supply of housing. In so doing, residents will be able to see the real benefit of housing reform in the improvement of their housing conditions, thereby giving more support to housing reform.

Ministry Adopts Policy for Electronic Development

HK1006135692 Hong Kong CHING CHI TAO PAO
in Chinese No 21, 1 Jun 92 p 28

["China Economic News" article: "Ministry of Finance Adopts Preferential Policy to Promote Electronics Industry"]

[Text] The Ministry of Finance has decided to adopt ten preferential policies in order to promote the development of the electronics sector. These ten preferential policies can be summarized as follows.

—In the first three years of the Eighth Five-Year Plan period, four sectors in the electronics industry, namely integrated circuits, calculators, software, and digital exchanges, will be exempt from product taxes and will

receive a 50 percent reduction in income taxes. Furthermore, ten percent of its total sales will be allotted for research and development, while the importation of major project items will be exempted from import tariffs.

—Imports listed in the technological innovation plans of ministries and commissions, provinces, municipalities, autonomous regions, and cities with separate listings in the state plan will be subject to tax exemptions, with complete exemption for software and 50 percent reductions for hardware based on the procedures carried out by the importing units.

—For import projects falling under the State Council's ruling on "integrated, direct management and a unified approach to trade relations with foreign countries," the importation of software technological items will be subject to preferential treatment when proper processing is conducted with the relevant departments of the trade.

—A preferential policy of "integration of technology and trade" will be introduced. Enterprises which are engaged mainly in product importation, importing advanced technology at lower prices, bringing in spare parts and key components in line with annual localization plans, and complying with all application and approval procedures will receive a 30 percent reduction in their tariff charges as well as their business tax collected by the customs.

—Products which are 40 percent China-made will be treated as spare and component parts and subject to lower tax rates. For products with a lower percentage of locally made parts, however, they will be treated as a whole item and subject to the corresponding tariff rates.

—Sample items which have to be imported in support of key state integration and localization projects will be subject to either exemption or a reduction of import tariffs and product tax (value added tax).

Government Outlines Policy on Technology Transfers

HK1006135592 Hong Kong CHING CHI TAO PAO
in Chinese No 21, 1 Jun 92 p 28

["China Economic News" article: "Policy on International Transfer of Technology Spelled Out"]

[Text] Some macroeconomic countermeasures and suggestions concerning the international transfer of technology were recently spelled out by relevant state departments.

—Under the premise of principally relying on one's own efforts to develop science and technology, seize favorable opportunities promptly in order to expand the importation of technology.

—The importation of technology should be conducted from all directions and not focused merely on the

scientifically and technologically developed countries of the West. The republics of the former Soviet Union and the Eastern European countries are in dire need of foreign exchange at the moment, and as such are very active in the export of technology and scientific and technological products. China can acquire useful and advanced science and technology from these countries through various means.

—Along with the importation of technology, actively carry out the exportation of technology and acquire technology through barter trade.

—Step up the mainland's cooperation with Taiwan and Hong Kong in the area of developing new and high technology. The mainland enjoys an edge in science and technology, while Hong Kong and Taiwan boast abundant capital and rapid information. As the three sides are all confronted by a new situation characterized by industrial and structural readjustment and upgrading of products, they can bolster their mutual cooperation, complement each other's efforts, and take part in competition in the international technological market.

—In view of the increasingly fierce competition for talent on a worldwide scale, it is necessary to pay great attention to the training and employment of scientists and technicians and realistically improve their environment and conditions to cut down the number of skilled persons leaving as well as endeavor to attract the return of these people.

State Council Opens More Border Areas to Outside

OW1506073192 Beijing XINHUA in English
0708 GMT 15 Jun 92

[Text] Beijing, June 15 (XINHUA)—The Chinese State Council has decided to open further seven southwestern cities, counties and a town to the outside world to boost the economy in border areas.

They include Nanning, capital of the Guangxi Zhuang Autonomous Region, Pingxiang city and Dongxing town, Kunming, capital of Yunnan Province, Wanding city and the counties of Ruili and Hekou.

Nanning and Kunming will enjoy the special policies allocated by the state to the open coastal cities.

To support the development of the five border cities, counties and town, the state will grant more autonomy in foreign economic management and permit the introduction of some preferential policies now practised in coastal economic development areas.

Areas provided with better conditions may set up border economic cooperative zones to draw investment from overseas and other parts of the country.

State Council Approves Nonlisted Stock Issues

HK1506031792 Hong Kong CHING CHI TAO PAO
in Chinese No 22, 8 Jun 92 p 24

["China Economic News" Article: "State Council Approves Issue of Nonlisted Stocks by Fujian, Guangdong, Hainan"]

[Text] The State Council recently gave official approval for public issues of nonlisted stocks by Fujian, Guangdong, and Hainan Provinces.

It was disclosed that Fujian, Guangdong, and Hainan Provinces may conduct experiments in openly issuing nonlisted stocks to society this year, in accordance with the power endowed on regions conducting comprehensive experiments in reform by the central authorities. However, the steps and scope for various provinces in issuing nonlisted stocks must come under the joint examination and approval of the People's Bank of China and the State Commission for Restructuring Economy.

Chen Junsheng Inspects Hebei Province's Zunhua

SK1106053392 Shijiazhuang HEBEI RIBAO
in Chinese 12 Apr 92 p 1

[By reporter Yang Jing (2799 2417), Ren Bingquan (1103 4426 0356), and Xing Jinglin (6717 0079 2651): "State Councillor Chen Junsheng Conducts Investigation and Study in Zunhua"]

[Excerpt] During his inspection of Zunhua, State Councillor Chen Junsheng stressed that "the spirit of Shashi-yu" should be popularized on a larger scale and the cattle raising industry should be developed on a larger scale across the country.

Accompanied by Xing Chongzhi, secretary of the provincial party committee; and Gu Erxiong, vice governor of the provincial government, from 7 to 9 April, Chen Junsheng conducted investigations and study on the agricultural development and the distribution of farm and sideline products in the mountain areas of Zunhua. After hearing the report on agricultural development and distribution of farm products, he inspected the limestone development areas of Shashi-yu Village, Niujiayu Village, and Yanjiayu Village and the Zunhua state-owned hog raising farm; and held talks especially with the cadres and the masses.

During his inspection in Shashi-yu Village, hometown of "the Foolish Old Man of the Present Age," he called the Shashi-yu cadres and people's spirit of the Foolish Old Man removing the mountain and transforming nature as "the Spirit of Shashi-yu" and highly praised it. Now, Shashi-yu has developed 800 mu of farmland, the per capita grain distribution reaches 500 kg, and the per capita net income reaches 1,212 yuan. The spirit of arduously developing agriculture production from "nothing" embodies the features of the Chinese nation and the communist style. [passage omitted]

During the inspection, Chen Junsheng paid special attention to the animal husbandry situation. He said: Tangshan as well as the whole country has rich crop straw resources, thus having great potential for developing animal husbandry, particularly the cattle raising industry. It has possibilities for great development. [passage omitted]

Chen Junsheng pointed out: The administrative departments concerned under the county-level government should strengthen service functions, streamline the size of the government, and offer large-scale service. In line with the distribution of farm and sideline products, he set forth that we should foster the concept of large-scale market and large-scale distribution, open both domestic and international markets, and push the peasants to the markets. We should take markets as a guide to organize production. Chen Junsheng encouraged that the leading cadres at the provincial, city, and county levels should further emancipate the mind, broaden their methods, make bigger strides, and adopt more solid measures.

Machine Building Industry Boosts Production

HK1106111392 Beijing RENMIN RIBAO
in Chinese 4 Jun 92 p 2

[By Liu Guosheng (0491 0948 0524): "Production in Machine Building Industry Gains Great Momentum This Year"]

[Text] Beijing, 3 Jun (RENMIN RIBAO)—Days ago, Jia Chengbing, spokesman for the Ministry of Machine Building and Electronics Industry announced the news that production in the machine building industry developed at a high monthly rate of over 34 percent from January to April this year, with a simultaneous increase in production and sales and improved economic results.

According to statistics, in the first four months, income from sales totaled 62.835 billion yuan, an increase of 42.23 percent over the same period last year; output value fulfilled increased by 32.35 percent over the same period last year; profits and taxes realized increased by 57.46 percent over the same period last year and profits realized increased by 80.87 percent over the same period; loss-making enterprises registered a decrease of 29.01 percent on losses compared with the same period last year; capital turnover became faster and the turnover of quota circulating funds in the first quarter was 55 days faster compared with the same period last year; exports of machine building products kept a comparatively good momentum, with an increase of 13.25 percent from January to April over the same period last year in terms of the output value of commodities exported.

According to an analysis, the large-scale increase in the machine building industry this year has been due mainly to three factors: first, an improvement in the market environment; second, the strengthening of enterprises' "internal functions"; and third, the guiding of enterprises in speeding up the transformation of their operational mechanisms.

Industrial Production Sees Growth Turndown in May

HK1106011392 Beijing ZHONGGUO XINWEN SHE
in English 1404 GMT 10 Jun 92

[Text] Beijing, June 10 (CNS)—Industrial production across China continued to grow rapidly in May while there was a drop to some extent over the previous four months, according to information released by the State Statistical Bureau.

A survey conducted on national industries and enterprises at the village level and above indicated that the gross industrial output value was RMB 237.3 billion [renminbi] last May, 16.7 percent up over the same month last year, but 1.6 percentage points down compared with the average level in the previous four months. Provinces and regions showing a relatively big decline in gross industrial output value included Beijing, the Inner Mongolia Autonomous Region, Jilin, Heilongjiang, Fujian and Jiangxi provinces as well as the Ningxia Hui Autonomous Region and the Xinjiang Uygur Autonomous Region.

Steady demand in the consumer market resulted in an obvious decline in the light industrial production. No keenly sought items have been obvious in the consumer market since the beginning of this year while the adjustment of grain prices did not trigger fluctuations. The retail sales volume of social commodities in the first four months grew at 14.6 percent when compared with the same period last year. Taking into consideration the price factor, growth was obviously lower than the rise of 16.2 percent in light industry, leading in turn to a low production and marketing rate in light industry, to a drop in growth of most textile products and to increased stockpiling of some products.

As for main industrial products, energy production grew at a faster pace while major raw and processed materials as well as electrical and machinery products registered a persistent growth trend. The gross energy production yield last May was 2.3 percent up over the same month last year while steel and steel materials belonging to main raw and processed materials as well as construction materials, ten kinds of nonferrous metals, main industrial chemicals and cement maintained a steady growth trend. Electrical and machinery products including vehicles, tractors, power generating equipment, shipbuilding and programme-controlled switchboards maintained a relatively greater upward trend.

Beijing Steel Firm 'Riding' 'Tide' of Deng Visit

HK1406081492 Beijing CHINA DAILY
(BUSINESS WEEKLY SUPPLEMENT) in English
14 Jun 92 p 1

[By Zhang Yu'an: "Beijing Steel Firm Aims To Join the World's Top 10"]

[Text] The Shougang (Capital Iron and Steel) Corporation, riding on the tide of a visit by Deng Xiaoping last

month, is making ambitious plans to become one of the world's 10 steel makers by 1994.

By then, its annual output will hit 10 million tons from this year's 6 million. It will increase its production capacity to 20 million tons by the end of this century through constructing a large iron and steel complex in Shandong Province, a senior corporation official told Business Weekly last week.

On May 22, senior Chinese leader Deng Xiaoping visited the corporation.

The corporation is expected to enjoy expanded rights in investment, foreign trade and many other fields, the official revealed.

Prompted by this, the corporation has drafted a plan to increase its steel production by renovating its present blast furnaces and steel-making plants and building new rolled steel mills, the official said.

The corporation is China's second largest after the Anshan Iron and Steel Corporation in Northeast China's Liaoning Province and is the leading steel firm in terms of profits.

To further raise its steel output capacity to meet rising domestic demand, which is predicted to hit 120 million tons by the end of this century, the corporation will, with Shandong Province and other provinces, invest huge amounts in establishing a modern iron and steel mill—the Qilu Iron and Steel Complex—in Jinan, Shandong Province, the official said.

Preparations for this complex will start soon, including purchasing land for building the mill and making detailed plans and designs.

The complex, with its annual output expected to reach 5 million tons in 1997 and 10 million tons in 2000, will rely mainly on domestic technology and equipment.

There are many advantages to building such a large steel firm in Jinan.

First, rail, highway and water transport is well developed in the area, providing easy access.

About 323 kilometres to the east is Shijiusuo Port in Shandong Province, which has two 100,000 tonnage berths.

Iron ore deposits in Zhangjiawa, Hanwang, Changzhe in Shandong and Huoqiu in Anhui Province amount to 1.7 billion tons. Jinan also is a major coal production centre.

In the early production stages, the corporation plans to ship ore from Australia, Brazil and India. It is negotiating with counterparts in those countries for jointly mining iron ores.

In the meantime, the corporation is planning to build a five-million-ton steel plant in Zhanjiang, Guangdong Province.

The steel plant, designed to help the southern province's goal to catch up with the "four little dragons"—Taiwan, South Korea, Hong Kong and Singapore—within 20 years, will help Guangdong to solve its great shortage of steel. The province is short of many materials, which restrains its ambitious development scheme.

The steel plant is designed to use iron ore from Vietnam and a delegation from the corporation is to visit Viet Nam soon to explore co-operation opportunities, including investment in Vietnam and jointly mining iron ores, the official said.

To boost its overseas expansion plan, the corporation, having won approval, will set up four steel processing joint ventures in Malaysia, the Philippines, Indonesia and Thailand.

It already has seven joint or solely-owned ventures in the United States, Europe, South America and Hong Kong.

The official said the corporation is willing to co-operate with foreign counterparts in a wide range of businesses as well as steel making.

Ministry, UNDP Developing Tarim Basin

*OW0906033092 Beijing XINHUA in English
0248 GMT 9 Jun 92*

[Text] Beijing, June 9 (XINHUA)—The Ministry of Geology and Mineral Resources is working closely with the United Nations Development Programme (UNDP) to improve oil drilling in the Tarim Basin, an area that could be China's largest petroleum source.

To the delight of both sides, the first "demonstration oil well," successfully tapped January 9 near Kuqu, is gushing 220 cu m [cubic meters] of crude oil a day.

Drilling took only 5.7 months to reach a depth of 5,965 m, breaking the ministry's previous drilling record.

On-the-job training at home and abroad also has enabled Chinese technical personnel to grasp advanced drilling know-how and management.

The two modern wells will serve as models for the future development of oil and gas in this vast and remote area.

The project, with 5.8 million U.S. dollars in UNDP grants and 82 million yuan in Chinese input, is the largest U.N.-assisted energy development item in China.

It aims to help the ministry achieve state-of-the-art drilling operations and improve drilling efficiency in one of the world's largest under-explored basins.

Besides, the program is designed to facilitate quantitative evaluation of oil and gas reserves there.

An official said, "the prospects for oil and gas development in the Tarim Basin are very attractive."

Geologists estimate that the 560,000-sq-km basin in the Xinjiang Uygur Autonomous Region holds one-seventh of China's oil reserves and one-fourth of its natural gas resources.

Most Early Rice Crops in South Doing Well

*OW1206103992 Beijing XINHUA in English
0924 GMT 12 Jun 92*

[Text] Beijing, June 12 (XINHUA)—The early rice crops in most parts of southern China are growing well thanks to the favorable weather in these days, according to sources from the Chinese Academy of Meteorological Science.

After the transplanting of rice seedlings in southern China, the weather in the area was not good for the crops at first, but it turned for the better in the following days, the sources said.

At present, most of the early rice crops in southern China are at the late tillering stage. At mid June, they will enter the flowering and milking stage.

The sources warned that rainfall in some areas south of the Yangtze River and in the western part of south China will be more than usual. Local farmers should pay great attention to field management and to the control of pests to strive for a good harvest.

'Commentary' Stresses Effective Grain Circulation

*OW1106130192 Beijing XINHUA Domestic Service
in Chinese 0739 GMT 11 Jun 92*

["Commentary" by unidentified XINHUA commentator: "Do an Effective Job in The Harvest and Circulation of Summer Crops"]

[Text] Beijing, 11 Jun (XINHUA)—Summer harvesting has begun in vast areas from north to south. According to preliminary estimates by relevant departments, if there are no sudden major disasters in the immediate future, our country's total summer grain production for this year will equal, or slightly exceed, last year's bumper harvest. Our immediate tasks are to ensure that the grains are stored after the harvest, and then are put into effective circulation. Peasants should not again have to worry about the difficulty of selling their grain following a bumper harvest.

This year's good situation regarding summer crop production has not been easily achieved. In some localities, the soil's moisture was bad when winter wheat was sown, and droughts continued over large areas throughout the winter and spring. Other localities have been widely affected by pests. This year's good harvest has been achieved only through the persistent struggle of the people in summer crop producing regions. As our country's agriculture is still largely restricted by climate, we

should guard against disastrous rains during the summer harvest period. We must "snatch" the grain and store them in warehouses.

It has been learned that peasants in many of the major summer grain-producing regions are still troubled by difficulty in selling their produce. Some reasons for the difficulty in selling grain include past problems such as grain departments having insufficient funds and inadequate storage facilities. Some departments are taking the opportunity to deduct various retentions and fees from peasants. As a result, peasants are afraid to sell their grain. Other reasons include new problems such as poor grain quality and variety, as in the case of the long-grain nonglutinous rice. Some localities have simply announced they no longer want to purchase grain. This will definitely result in the stockpiling of grain in peasants' homes. The peasants' enthusiasm for effective

autumn farming will likely be dampened if these problems are not properly handled. Therefore, relevant departments in all localities should put in greater efforts to effectively tackle the circulation of grain. There are many tasks to be done in this respect: old warehouses should be replaced to increase storage capacity, and old grain stocks that have been kept for several years should be replaced with new stocks. All localities should also reduce the peasants' burdens and resolutely eradicate unreasonable deductions and retentions. They should ensure that peasants who have reaped a bumper harvest are capable of expanding their production and improving their standard of living. Provinces that purchase grain should increase their purchases and should buy early. Principal grain producing provinces should possess a sense of commodity economy by considering an overall plan for local and external sales of grain to ensure a smooth and orderly circulation.

East Region

Hefei Maps Measures To Boost Opening, Reform

OW1406004892 Beijing XINHUA in English
0029 GMT 14 Jun 92

[Text] Hefei, June 14 (XINHUA)—The municipal government of Hefei, capital of Anhui Province, has worked out new concrete measures in a bid to open further to the outside world and attract more foreign investment.

Deputy Mayor Ma Yunfei today made public the six new measures, which include improving the investment environment with preferential policies for foreign investors.

Since China adopted the open-door policy in the late 1970s, Hefei has set up 150 foreign-funded projects, with a contracted investment of 170 million U.S. dollars.

So far this year, 28 foreign-funded enterprises have been approved, with a total investment of 25.26 million U.S. dollars.

Jiangxi Commentator on Breaking 'Three Irons'

HK1306044892 Nanchang JIANGXI RIBAO in Chinese
21 Apr 92 p 1

[Commentator's article: "Do Ideological and Political Work Well To Promote the Drive of Breaking 'the Three Irons' in a Down-to-Earth Manner"]

[Text] When the east wind is blowing, the Gan Jiang's water flows jubilantly. A great reform action of transforming enterprise operational mechanisms with breaking "the three irons" as an important content is widely spreading in various parts of the province. Its great impact, profound penetration, powerful influence and strong response have been rarely seen in recent years. Conscientiously studying the new situation, new problems, and new contradictions arising in this great reform action and sticking to the principle of giving prominence to ideological and political work to ensure that the drive of breaking "the three irons" is carried out in an orderly and steady manner in enterprises is a major issue facing leaders at all levels and factory directors (managers).

The so-called breaking "the three irons" means completely transforming the existing labor, personnel, and distribution system, and establishing a vigorous stimulus mechanism to enhance enterprises' economic efficiency. Due to the fact that our enterprises have pursued a full iron ricebowl, ironclad wages, and iron armchair system, people are naturally inured to it. Since we intend to break it completely, it will produce wide repercussions in people's minds, and touch upon various quarters in terms of the distribution of interests. For example, the implementation of the system of optimization and appointment of cadres is bound to deprive some staff, workers, and cadres of their present posts. They will become persons temporarily waiting for job assignments, who can no longer hold iron ricebowls. More people will

be affected by the act of breaking ironclad wages, including all cadres, workers, and staff members in enterprises. In the face of this new situation, it is not surprising at all that people have different kinds of thoughts and make different comments. They are allowed to do so. The responsibility of leaders at all levels, and enterprises directors (managers) in particular, is that they must energetically do well in propaganda, education, ideological, and political work to help some cadres, workers, and staff members get rid of their hang-ups and dispel various kinds of misunderstanding. It is necessary to organize cadres, workers, and staff members to profoundly study a series of important expositions of Comrade Deng Xiaoping, so that they understand that breaking "the three irons" is the only way that must be followed by enterprises to open up and invigorate themselves, transform their operational mechanism, and enhance their economic efficiency. We must use objective facts demonstrating that reform and opening up have brought about great economic development and considerably improved the livelihood of the masses to educate our cadres, workers, and staff members, so that they widen their vision and see the bright prospects that speeding up the pace of reform and opening up will inevitably bring greater benefits to the construction of the state and livelihood of the masses. This will help them further strengthen their confidence in breaking "the three irons." It is necessary for us to do ideological and political work meticulously for a small number of cadres, workers, and staff members who have complaints about the drive to help them correctly handle relations between the overall situation of reform and immediate interests of individuals, and dissipate their depression, so that they can pull themselves together again, and keep abreast with the progress of the times.

Comrade Mao Zedong had a famous saying: A vigorous socialist cause is created by the broad masses of the people. Just like other major reforms, the success of enterprises in breaking "the three irons" is determined by whether they can fully arouse the enthusiasm of the broad masses of cadres, workers, and staff members, so that they can zealously take part in this great practice of transformation like the charge of a powerful army. To do so, we must first trust the masses, rely on them, and carry forward the party's fine tradition and style of "getting the opinions of the masses and referring them back to the masses." The broad masses of cadres, workers, and staff members are the main bodies and practitioners of production and operational activities in enterprises. They fully understand and are most familiar with the situation at the grass-roots level. Only by fully respecting their views and modestly asking for their advice can we ensure that various measures for breaking "the three irons" are more feasible. Now when some enterprises work out measures for breaking "the three irons," they fail to solicit the masses' opinions and proposals in advance. They merely rely on a small number of people to formulate their plans behind closed doors. After their plans are promulgated, they refuse to widely pool the masses' opinions to complement and improve their

plans. Their plans are naturally divorced from the reality and the masses, and fail to enjoy the assistance and support of the majority of cadres, workers, and staff members. It is very difficult to implement the plans. Some enterprises one-sidedly emphasized that they want to use "iron" to break "the three irons." They adopted oversimplified and crude methods to implement various measures and plans for breaking "the three irons." This has triggered antagonism and resentment among some cadres and masses. They stay aloof or stand up to breaking "the three irons." This is not beneficial to the solid promotion of the drive of breaking "the three irons." In the course of breaking "the three irons," we must be firm and resolute. In the meantime, we must pay close attention to our work methods. Persisting in the principle of seeking truth from facts, we must do ideological and political work carefully, and be good at turning the party policy into the masses' conscious actions. It is necessary to integrate ideological and political work with the settlement of specific questions and improve as early as possible our labor service market and social insurance system. This is an important aspect for ensuring the smooth promotion of the enterprises' drive of breaking "the three irons." Since breaking "the three irons" is an important change in the three systems of enterprises, many new contradictions will inevitably occur. Many specific problems must be properly solved. What is more prominent is how to make proper job arrangements for those redundant personnel resulting from the optimization of enterprises. As viewed from those enterprises which have carried out their transformation of breaking "the three irons," the percentage of such redundant personnel is very small in the total number of workers and staff members. However, whether we can make proper arrangements for them will produce very great psychological influence over all workers and staff members. This has demanded that labor and personnel departments, responsible departments at the higher level, and the enterprises themselves make concerted efforts to formulate and improve as early as possible various coordinated measures and take various forms to solve the problem of job arrangements for those redundant workers. It is necessary to set our eyes on tapping our internal potential, and open up, through various channels, new ways for job arrangements. Some of those redundant workers can receive training after dismissal, and get new jobs after the improvement of their own quality. Some of them can be arranged in a unified way to work in tertiary industry inside relevant enterprises. It is necessary to establish and develop more labor service markets which are geared to the needs of society to provide new opportunities for redundant enterprises, so that they can freely choose jobs. With regard to those redundant personnel who find it temporarily difficult to get new jobs, it is necessary to employ methods such as approving early retirement, issuing subsidies while they are waiting for job arrangements, and so on to provide them with a basic guarantee for their daily life to fully demonstrate the socialist system's superiority.

Breaking "the three irons" in enterprises is like a torrential flow of rivers. There are inevitably submerged reefs and rapids in places over which the rivers flow. There might even be setbacks. However, it is, after all, the trend of the times. As long as we dare to break through, take action, work in a meticulous way, adopt correct methods, and take coordinated measures, we can definitely advance despite difficulties and achieve rapid results. We must take this as a turning point to greatly enhance the economic efficiency of enterprises in our province.

Zhao Zhihao Meets CPPCC Inspection Group

*SK1306094892 Jinan Shandong People's Radio
Network in Mandarin 2300 GMT 12 Jun 92*

[Text] The national Chinese People's Political Consultative Conference [CPPCC] inspection group to Shandong recently came to our province to inspect agricultural production and the prospects for deepening rural reforms.

The 39-member inspection group, led by (Liu Huafeng) and with Ge Zhicheng and (Liu Peizhi) as the deputy leaders, arrived in Jinan on 11 June. That afternoon, leading comrades of the provincial party committee, the provincial government, and the provincial CPPCC committee, including Zhao Zhihao, Li Chunting, Li Zichao, Lu Maozeng, Wang Jiangong, Zhou Zhenxing, Zheng Weimin, and Miao Yongming, met with inspection group members.

During the meeting, Zhao Zhihao extended a warm welcome to the inspection group, which came to Shandong on behalf of the provincial party committee and the provincial government. Zhao Zhihao said: The inspection tour of the leading comrades of the National CPPCC Committee to our province is a great support and impetus for our province's various fields of work. Since reform and opening up, Shandong's economic construction and social work have developed well. The province's GNP, national income, and the total industrial and agricultural output value attained their first 100-percent increase three years ahead of schedule. The higher and the lower levels across the province are now conscientiously implementing the guidelines of Comrade Deng Xiaoping's important speech and the plenary session of the CPC Central Committee Political Bureau. It is necessary to act in line with our province's situation and manage several major affairs in reform, opening up, and economic development in a down-to-earth manner.

Zhao Zhihao expressed the hope that the inspection group would offer more guidance for our provincial work and provide more help and support during its stay in Shandong.

On the morning of 12 June, the inspection group attended a briefing given by Vice Governor Wang Jiangong on Shandong Province's agricultural production and on deepening rural reforms at Nanjiao Hotel in Jinan.

Beginning on 13 June, the inspection group will inspect Taian, Jining and Linyi Prefectures and Jinan city.

Shandong's Li Chunting on Enterprise Reform

SK1506001592 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 13 Jun 92

[Text] At the provincial seminar on running large and medium-sized enterprises which ended on 13 June, Li Chunting, deputy secretary of the provincial party committee and vice governor, stressed: Party committees and governments at all levels, and the business and press circles should further unify thinking, unswervingly advance reforms, proceed from reality, and deeply and carefully carry out reform work in an effort to promote economic and social development.

The seminar on successfully running large and medium-sized enterprises was cosponsored by the propaganda department of the provincial party committee, the provincial economic commission, the provincial journalists society, the provincial trade union council, and the provincial labor bureau. Some comrades of enterprises and press units were invited to the seminar. During the four-day seminar, the participants offered many good suggestions on deepening enterprise reform and changing operational mechanism, and achieved very good results.

In a speech, Li Chunting pointed out: The progress of our province's current enterprise reform has been active and sound. Taking the reform of labor, employment, and distribution systems as a breakthrough point, we achieved noticeable results in changing the operational mechanism of enterprises. Reform has mobilized the enthusiasm of the broad masses of workers, pushed forward the establishment of new mechanisms and the change of government functions, and promoted economic and social development.

Li Chunting stressed: We should have a firm understanding of deepening reform and expanding opening up and be unified in action, and regard this point as a guiding principle for the action of all party members and cadres, particularly leading cadres at all levels and in all departments. It is necessary to clearly define one criterion, namely, the criterion of productive forces. Reform is also aimed at emancipating productive forces. Whether we can emancipate and develop socialist productive forces are the objectives of our reform and opening up work and the major criterion for studying problems and judging right from wrong. We must now solve three issues: First, we must guard against rightists, but the major issue is to guard against leftists; second, we should focus propaganda work and enterprise work on establishing new operational mechanisms and correctly approach some contradictions and problems that have emerged in the course of reform and opening up; and third, concerning some temporary and imperfect things in reform, we should mainly give positive guidance, cherish and care for reform enthusiasm, and do a good

job in guiding, protecting, and displaying this enthusiasm, and refrain from making unwarranted charges or dampening people's enthusiasm.

Li Chunting pointed out: All levels and departments and various enterprises should proceed from reality, and give thorough and careful consideration to reform measures and methods so as to make them tally with the actual situation of enterprises and fit in with workers' ideology. To do a good job in supporting reform, the most pressing task at the moment is to grasp the implementation of policies, improve the social welfare benefit and insurance systems, and accelerate market building.

In his speech, Li Chunting also called for efforts to make press work keep pace with current reform trends to actively guide and promote reform.

Wu Bangguo Urges More Economic Reform, Opening

OW1406005292 Shanghai People's Radio Network in Mandarin 1000 GMT 13 Jun 92

[From the "News and Weather" program]

[Text] The Shanghai Municipal CPC Committee held a meeting of responsible cadres with CPC membership in the Shanghai Exhibition Center today. At the meeting, Wu Bangguo, secretary of the municipal party committee, delivered an important speech entitled: Learn From the Successful Experience of Guangdong and Hainan and Further Shanghai's Reform and Opening to the Outside World.

Chen Zhili and Chen Tiedi, deputy secretaries of the municipal party committee, attended the meeting. Ni Hongfu, also a deputy secretary, presided over the meeting. According to the meeting, the trend of Shanghai's reforms and opening to the outside world is very good at present, and the situation is gratifying, and yet pressing and encouraging people to work even harder. The meeting urged people to seize the opportunity to accomplish even more in all fields, further emancipate their mind, and further promote reforms and opening to the outside world. During the meeting, Wu Bangguo reported on his tour of Guangdong and Hainan and his general impression and the basic experience of the two provinces.

Wu Bangguo pointed out: We must have a sense of urgency and learn from the successful experience of Guangdong, Hainan and other fraternal provinces and cities across the country in consideration of Shanghai's reality. We should further emancipate our minds, bring forth new ideas, open Shanghai even wider to the outside world, adopt even more flexible measures, and delegate even more power to lower levels. We should firmly rely on the broad masses of the cadres and the people and work with one heart and one mind to perform several major tasks well.

Wu Bangguo said that it is necessary to seize the opportunity to do a good, efficient and fast job in developing

and opening Pudong so as to create an eastern urban area of Shanghai soon. He said: We should further clarify the responsibility at each level and delegate more power to districts and counties. We should accelerate the transformation of existing urban areas and the construction of suburban and rural areas; further arouse the enthusiasm of districts, counties and all other quarters for invigorating the economy; and create a new situation of opening Shanghai wider at various levels.

Wu Bangguo said: It is necessary to adopt practical measures to continue the comprehensive reform of large and medium state-owned enterprises, as well as relevant supportive reforms, and boldly gear enterprise operation to market demand. It is necessary to use more foreign capital, introduce advanced foreign technology and management methods, and enter the international marketing system. We should create the necessary conditions for trying out the joint-stock system at more selected enterprises. We should give qualified enterprises the import-export trade authority, seriously reform the internal distribution system of enterprises to ensure more pay for more work, and create a competitive system under which everyone works hard efficiently to make more contributions.

He pointed out: It is necessary to vigorously develop tertiary industries and accelerate the reform of production factors and the market. We should actively develop the stock and securities market, improve and expand the market for bonded capital goods, the futures market, and the consumer goods market, make great efforts to develop the real estate market, and thus turn Shanghai into an economic, banking and trade center.

Wu Bangguo emphasized: The party and government organizations and leading cadres at all levels should serve the economic construction, support reforms and opening to the outside world, know economics and policies, regard economic construction as the central task, and deem it their fundamental work to liberate and develop the productive forces. We should further emancipate our minds, use our brains, dare to abandon outmoded conventions which obstruct economic development, perform actual deeds, and arouse the enthusiasm and creativity of the cadres and the people for reform and construction. In this way, Shanghai will certainly make a new leap in reform and construction.

Shanghai Standing Committee Meeting Agenda

OW1306140992 Shanghai People's Radio Network
in Mandarin 1000 GMT 13 Jun 92

[By station reporter Zhou Baogong; from the "News and Weather" program]

[Text] The 34th meeting of the Standing Committee of the Ninth Shanghai Municipal People's Congress will be held from 16 to 19 June. A chairmanship meeting suggested that the following items be included in the agenda of the upcoming Standing Committee meeting:

Examine and discuss the draft bill on regulations governing procedures for recalling and holding a by-election for deputies to the people's congresses at all levels;

Examine and discuss the major points of work to be done by the Shanghai Municipal [words indistinct] Standing Committee in 1992;

Hear a report on the plan for the people's police to conduct experimental comprehensive law-enforcement work;

Examine results of deliberation on the proposals made by deputies at the Fifth Session of the Ninth Shanghai Municipal People's Congress;

Hear and discuss a report on the plan of the municipal government on establishing a local government in the New Pudong Area in Shanghai Municipality; and

Hear and discuss a report on the draft prepared by the municipal government for soliciting opinions on the plan for implementing reform of the pension and insurance system for staff and workers in both urban and rural areas in the municipality.

CPPCC Vice Chairman Inspects Zhejiang

OW1406131692 Hangzhou ZHEJIANG RIBAO
in Chinese 7 Jun 92 p 1

["Zhejiang Has a Great Future, Said Wang Enmao, Vice Chairman of CPPCC National Committee, During his Inspection Tour of Zhejiang Province"]

[Text] During his inspection tour of Zhejiang Province from 17 May to 6 June, Wang Enmao, vice chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), praised Zhejiang's determination and vigor and its down-to-earth manner in implementing the guidelines of Comrade Deng Xiaoping's important speech during his inspection tour of south China. He expressed the belief that Zhejiang is full of hope and will have a great future.

When he was in Zhejiang, Comrade Wang Enmao was received successively by Li Zemin, secretary of the provincial party committee; Governor Ge Hongsheng; and Liu Feng, deputy secretary of the provincial party committee, as well as Tie Ying, Li Fengping, Shang Jingcai, and Li Chaolong. Wang Enmao inspected Zhoushan, Ningbo, Shaoxing, and Hangzhou cities. He also made a special trip to call on the officers and soldiers of an army unit of the "Hard-Boned Sixth Company." He encouraged them to infuse their dauntless spirit into ideological and political construction and into their work style in the army so as to greatly enhance its combat effectiveness.

After inspecting Beilun Port, Wang Enmao said: I visited Ningbo 16 years ago, and on making another visit 16 years later, I found that great changes have taken place. The original Ningbo Port was but an inland river port, whose docks could berth only vessels of 3,000 to 5,000

tons. In 1974, in response to Premier Zhou's call to build more new ports, a new port district was constructed in Zhenhai under Ningbo Port. In 1984, construction of Beilun Port began. This is a big port which can berth ships ranging from 10,000 tons to 150,000 tons, and even 200,000 tons during high tides. Ningbo is developing, and various undertaking are just taking off; prospects for its development are very promising. He called for full exploitation of deep-water facilities of Beilun Port and scientific planning to develop and take advantage of the port.

While touring Qiuye village in Yinxian County, Keqiao in Shaoxing Prefecture, Wang Enmao inspected village and township enterprises and visited the rural people. He praised the efforts made by the village and the township to promote village and township enterprises, develop the collective economy, and realize common prosperity, all of which have achieved gratifying results. While inspecting Shaoxing, he said to leading comrades of Shaoxing city and county: We must have more townships like Keqiao, and we must develop village and township enterprises with greater speed. If the various villages and townships under Shaoxing are like Keqiao, not only can we realize the second-step objectives of our economic development, but we can also overfulfill our targets.

During his inspection, Wang Enmao highly appraised the various scenic spots, former residences of noted personalities, and the preservation and renovation of old temples and a well-known nunnery in various localities in Zhejiang Province. He expressed the hope that tourism development in Zhejiang would be given a greater boost. He urged that efforts be made to seize the current favorable opportunity to accelerate the pace of developing various scenic areas, as well as to further develop international tourism and economic construction.

Wang Enmao showed great concern for the work of the CPPCC. He encouraged the comrades of the CPPCC wherever he visited, saying that their work has bright prospects; he visited and received comrades of the CPPCC, and wrote inscriptions for them. He expressed the hope that the CPPCC at all levels would bring into full play the role of the CPPCC, struggle in unity, and make greater contributions to reform and opening to the outside world, as well as to economic construction.

Central-South Region

First-Quarter Foreign Investment Up in Guangdong

HK1206140092 Beijing ZHONGGUO XINWEN SHE
in English 1331 GMT 12 Jun 92

[Text] Guangzhou, June 12 (CNS)—In the course of quickening the pace of reform and openness, Guangdong Province newly registered 1,358 foreign-funded enterprises over the first quarter this year with total investment valued at U.S.\$2.5 billion, a record high for this period. By the end of the quarter the province housed

over 17,000 foreign-funded enterprises, making up nearly half of the total nationwide.

It was obvious that foreign investment was tending to move towards the mountainous areas and the hinterland with some changes in coastal investment spots.

Foreign-funded enterprises registered province-wide increased by 389 or 40 percent with gross invested value increasing by 114 percent during the quarter compared with the same period last year. Many labour-intensive and lower technological-level items switched to mountainous areas resulting in growth of such items in mountainous areas and the hinterland greater than the average level across the province. The number of such enterprises in Shaoguan, a mountainous area in northern Guangdong, doubled with a rise of gross investment value of 8.6 times. The number of enterprises in Qingyuan rose by 3.4 times with an increase of total investment value of 6.8 times while Zhaoqing also saw great growth. Foreign-funded enterprises in coastal Shantou Special Economic Zone grew by 88.9 percent and Huizhou by 108.6 percent, becoming popular places for foreign investment over the first quarter.

After the steady decline in recent years in proportion, cooperative-venture enterprises showed for the first time an upturn over the first quarter this year, registering 35 percent from the original 24.8 percent over the same period last year. Cooperative-venture enterprises made up 59.2 percent in Shantou and over 43 percent in Guangzhou and Huizhou, mainly because of a drop in investment in Guangdong by Taiwan businessmen mostly employing sole-funding practice, while some enterprises specializing in processing with supplied materials switched to become foreign-funded cooperative-venture enterprises after the expiry of contract.

Foreign-funded real estate business continues its boom which started last year when foreign businessmen rushed to Guangdong to invest in this sector. The number of such enterprises doubled over the first quarter this year with eight newly registered in Shenzhen with total investment of over U.S.\$200 million. Some enterprises increased their registered capital and enlarged their scope of business. The Pan Asia Real Estate Development Co. Ltd. in the Shantou Special Economic Zone increased its registered capital to HK\$80 million from the original HK\$14 million. The construction area for first phase development by the company was 40,000 sq metres.

Investment scope showed sharp growth on average which increased to an average of U.S.\$1.81 million over the first quarter of the year from U.S.\$1.18 million in the same period last year. Three enterprises in Huizhou boast newly registered capital worth over RMB 10 million each while the average investment made by foreign-funded enterprises in Shaoguan was valued at U.S.\$6.49 million. The foreign solely-funded Shaoguan Pingshi Power Plant Co. Ltd. (Plant B) registered a total investment of U.S.\$66 million.

Shenzhen Develops Further After Deng's Visit

HK1206122792 Beijing ZHONGGUO XINWEN SHE
in English 1124 GMT 12 Jun 92

[Text] Shenzhen, Jun 12 (CNS)—Ten important things have happened in Shenzhen in the wake of Deng Xiaoping's visit.

First, there has been a new record set in foreign investment with the number of newly registered three type foreign-funded enterprises totalling 102 for last March, a new monthly record since the establishment of the SEZ.

Second, the Shenzhen stock market has become national. With the heating up of the stock market in Shenzhen, people from different parts of China have flocked to the stock market here.

Third, the shareholding system has become a tide affecting enterprises in Shenzhen. As of the end of last March, the number of shareholding enterprises formally approved by the authorities reached 119.

Fourth, the real estate business has heated up. Since last March, the price of property in Shenzhen has been steadily rising with prices for residential housing reaching almost HK\$20,000 per square metre.

Fifth, Shenzhen is gradually becoming a regional financial centre. As of the end of last March, the total amount of deposits in Shenzhen's banks surpassed RMB [renminbi] 10 billion, with a great number of domestic and foreign financial institutions making big investment here.

Sixth, tourism has been thriving, with all the hotels in Shenzhen, be they big or small, being fully occupied for the last few months.

Seventh, development of high-tech and tertiary industries have been greatly promoted. Preparations for Shenzhen to become a special tariff zone and free port like Hong Kong is now in full swing.

Eighth, Shenzhen Special Economic Zone (SEZ) has been expanded. Development of Bao'an County with an area of 1,693 sq. kilometres centering around Shenzhen Airport has been greatly accelerated to make the county a modernized new district of Shenzhen.

Ninth, a bigger scale of infrastructural construction has started. Thirty seven key construction projects with total investment of nearly RMB 3 billion for this year have been decided on. According to Shenzhen's Ten-Year Development Programme, investment for infrastructural construction will surpass RMB 70 billion for the second ten years, a growth of more than 200 percent compared with the first ten years. Shenzhen City proper will be further expanded by 57.5 square kilometres by the year 2000.

Tenth, Shenzhen's public opinion has become the focus of attention by different circles of society.

Hubei's Guan Guangfu Tours Coastal Provinces

HK1206051992 Wuhan Hubei People's Radio Network
in Mandarin 1000 GMT 5 Jun 92

[Excerpts] From 16 May to 3 June, provincial party committee Secretary Guan Guangfu led a provincial study group to Guangdong, Hainan, and Shanghai. The trip was designed to draw on experiences created by coastal provinces and cities to solve Hubei's problems. Through the visits, the delegation members were able to broaden their horizons and to table plans for expediting Hubei's reform and opening up and economic development in a better way.

Also joining the delegation were Qian Yunlu, deputy secretary of the provincial party committee and secretary of the Wuhan City CPC Committee; Zhong Shuqiao, member of the provincial party committee Standing Committee and head of the provincial party committee organization department; Li Daqiang, member of the provincial party committee Standing Committee and vice governor; (Zhang Gongxiang), secretary general of the provincial party committee; and comrades from departments concerned under the provincial party committee and government and Wuhan City CPC Committee and government, totaling 16.

As soon as the delegation members set foot in southeast China, where a high tide of reform and opening is surging forward, they busied themselves with learning modestly from local cadres. They studied the experience gained by the Shenzhen and Zhuhai Special Economic Zones [SEZ's] in reform and opening up to the outside world and investigated Zhongshan, Shunde, Foshan, and other cities in the Zhu Jiang delta, where the economy has grown rapidly. In Hainan, the study group, braving the intensive heat, visited the development zone in Haikou city, and Sanya, a city in the southern tip of the island; and traveled to the Yangpu development zone for observation.

While in Shanghai, they visited Pudong, Minhang, and (Chaohejing) development areas. They went to the Baoshan Iron and Steel Corporation, Dazhong Automobile Limited Company, and Yingxiang Golden Fountain Pen Factory to learn from their experiences. [passage omitted]

The study group was especially interested in new things which emerged in the course of reform and opening up in various places. In Shenzhen, they made detailed investigations of the stock exchange. They visited the (Kangjia) Electronics Group, a bicycle factory, and other enterprises. They also toured the tourist attractions Splendid China and China Folk Culture Village.

During their stay in Haikou, they made on-the-spot investigations of the real estate development area and of the practice by which the local government still exercises administrative, judicial, and taxation control on the state-owned land in Yangpu, which had been transferred to foreign investors with compensation.

While in Shanghai, they made in-depth study of formation, development, and prospects of the bonded area. They also went to offices set up by Wuhan in Shenzhen, Guangzhou, Haikou, and Shanghai to extend regards to and hold discussions with the staff. They investigated the Hubei-run enterprises and economic entities in these cities. They fully reaffirmed the achievements scored by these units and hoped they would further serve as windows in promoting Hubei's reform and opening up.

At the beginning and the end of their visits to these cities and provinces, the delegation was received by local leaders. They met and held discussions in turn with Xie Fei, secretary of the Guangdong Provincial CPC Committee; Li Hao, secretary of the Shenzhen City CPC Committee; Liu Jianfeng, Hainan governor; Chen Yuyi, secretary of the Haikou City CPC Committee; Wu Bangguo, secretary of the Shanghai Municipal CPC Committee; Huang Ju, Shanghai mayor; and Ni Hongfu, Chen Zhili, and Chen Tiedi, deputy secretaries of the Shanghai Municipal CPC Committee. During the meetings, the two parties gave accounts of their reform and opening up situations and indicated they would learn from each other to make up each other's deficiencies and support each other while giving play to their own advantages so that they would make progress hand in hand.

Guan Guangfu thanked the provinces and cities for supporting Hubei's reform and opening up and other undertakings. He expressed the hope that the ties between Hubei and other provinces and cities would be strengthened in the future and that leaders, entrepreneurs, financiers, and pacesetters in all walks of life in other provinces and cities would come to Hubei to pass on their valuable experience and help develop Hubei's economy.

Throughout the study tour, the delegation made it a rule to go deep into the realities to obtain anything valuable. The delegation members were greatly enlightened by digesting and absorbing what they had learned on the trip. Guan Guangfu, Qian Yunlu, and others pointed out: Shenzhen and Zhuhai are China's experimental areas for [words indistinct] and vanguard of reform and opening up. These two SEZ's have given full play to their advantages of close ties with many Overseas Chinese, close vicinity to Hong Kong and Macao, and preferential policies; carried out reform while opening up to the outside world; promoted development through opening up; acted boldly to carry out experiments and explore new ways; and scored great achievements in developing the economy. A number of cities and counties in the Zhu Jiang delta have displayed boldness and ingenuity in using their advantages in geography and personnel and in seizing the opportunity, made the export-led economy serve as guide and the domestic market as powerful backing and the collective economy as the mainstay, expanded the scope of utilizing foreign funds, developed the economy in the areas along highways and railways, nurtured the market for essential factors of production, and developed new and hi-tech industries, presenting a scene of prosperity.

Hainan, which was declared a province only four years ago, has persistently carried out the principle of promoting development and opening up through reform, and utilized the preferential policies to lay a solid foundation, to guarantee accomplishment of set tasks, and to seek substantial results.

They have made great efforts to build a new system characterized by a small government and a grandiose society at the provincial level, vigorously introduced the shareholding system for enterprises, and constantly expanded the scope of [words indistinct], thus forming an initial [words indistinct] market mechanism. They have built more infrastructural projects to meet the needs of large-scale opening up and development, bringing about above normal economic and social development.

Shanghai is trying to develop its economy through reform and opening up. With the development of Pudong as a momentum, the city is combining the development of Pudong with that of Puxi, with Pudong advancing at the fore and Puxi following suit, thus forming a pattern of grandiose development and construction. They are trying to reform the relations of production that hinder the development of productive forces. They tried to smash the ideological bonds caused by self-imposed blockades, self-restrictions, and passivity; vigorously drew on foreign-funded enterprises' managerial skills; instituted mechanisms such as the all-personnel labor contract system and the shareholding system; energetically carried out structural reforms with respect to housing, pricing, planning, science and technology, finance, insurance, and so on; enthusiastically developed hi-tech industries; and, in the meantime, kept effective tabs on rural reforms, working hard to develop Shanghai into one of the Far East's economic, trade, and financial centers.

Guan Guangfu and Qian Yunlu stressed: Investigating reform and opening up in other provinces and cities has served to brace our spirits and boost our faith and determination to deepen reform and open wider to the outside world. We must conscientiously study and assimilate and draw on successful experience gained by coastal provinces and cities. We must seize the opportune moment and various opportunities to vigorously raise Hubei's reform and opening up and economic construction to a new level and to breathe new life into various undertakings.

After returning to Hubei, the study group called a whole-day meeting 5 June to further digest the experience gained by coastal provinces and cities in reform and opening up and analyze and compare various experiences in light of Hubei's actual conditions in a practical manner. The participants maintained that it is necessary to fully reaffirm the achievements Hubei scored since reform and opening up policies were introduced. The principles, patterns, and a series of major measures adopted by the provincial party committee since the beginning of spring are correct. A new high tide of

reform and opening up and economic construction is emerging across the province. However, we should be aware that if compared with coastal provinces and cities and with the spirit of Comrade Deng Xiaoping's speeches made during his south China tour, we have some way to go with respect to our work performance. Our conspicuous weak points are that we fail to sufficiently emancipate our minds, to adopt more liberal policies, to make our mechanism more flexible, to further broaden their horizons in developing the economy, to take more measures to enliven the economy, and to change the government functions fast enough. It is for these reasons that the productive forces have not been sufficiently emancipated and the economy has grown slowly. Therefore, we must apply experiences created by other provinces and cities to Hubei's realities and make big breakthroughs in changing our ideology, concepts, policies, measures, and methods.

1. We must further grasp the essence of the speeches made by Comrade Deng Xiaoping during his south China tour and establish a firm idea that the party's basic line will remain unchanged for 100 years, that is, we will not waver in making economic construction our central task for 100 years. It is essential to further free ourselves from old ideas; do away with every obstacle and resistance to economic development; continue to overcome leftism; follow the irrefutable principle of persisting in developing the economy; and carry out experiments with and do whatever is beneficial to expanding social productive forces, to increasing overall national strength, and to improving the people's living standards to create a new formula for developing the national economy characterized by a high speed and good efficiency.

2. We must further change our concepts, update our ideology, and really free ourselves from the ideological trammels of the product economy [as heard] and the small-scale peasant economy. It is essential to change from being sealed off or partially sealed off into becoming open; get rid of the outdated ideology caused by the small-scale peasant economy, overcome passivity; and foster consciousness of commodity economy, development, opening up, original expansion, market, commodity, competition, timing, and efficiency.

3. It is necessary to take major and mandatory measures to deepen reform and increase the scope of opening up. Hubei's strategic guidelines and patterns for economic development should be further defined. We must expedite reform by focusing on transforming the enterprise operational mechanism; give full play to Wuhan as the dragon head; make adequate and proper use of open policies granted to Wuhan by the central government; run development areas across the province, which have been established by the provincial authorities, as though they were SEZ's; open wider to the outside world; elevate the work of introducing investment from abroad and establishing lateral ties at home to a new stage; readjust and optimize the industrial composition while continuing to bring into play the advantage of agriculture, light industry, and heavy industry standing like the three

legs of a tripod; help township and town enterprises develop at an above normal speed; and raise funds needed for construction in every possible way and through various channels.

4. We must change government functions, streamline the administrative structure and delegate powers to lower levels, strengthen macroeconomic regulation and control, give a free hand to and support local authorities and enterprises in their efforts to develop the economy, eliminate duplication, raise work efficiency, lift restrictions on scientific and technological personnel and cadres of party and government departments, and boldly use talented people.

5. We must strengthen party leadership, attach equal importance to material and spiritual civilizations, train all kinds of professionals needed for reform and opening up and economic construction, and strengthen leading bodies and contingents of cadres.

Southwest Region

Sichuan's Yang Rudai Inspects Various Areas

Sees Guangyuan City

HK1106111692 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 10 Jun 92

[Text] Provincial party committee Secretary Yang Rudai inspected Guangyuan City 7-8 June.

During his inspection tour, Yang Rudai pointed out: In order to promote economic development in various mountainous areas, we must first and foremost develop communications and invigorate commodity circulation. Since becoming a city, Guangyuan has more than doubled its tertiary industrial output value, of which commodity circulation, communications, transportation, and post and telecommunications take the lion's share. Nonetheless, such a growth rate is still incommensurate with a commodity economy development.

Secretary Yang Rudai pointed out: Guangyuan should strive to make breakthroughs in developing township and town enterprises. To this end, Guangyuan should first and foremost develop communications and commodity circulation, concentrate on building key projects, make earnest efforts, and carry out work in a down-to-earth manner. The comrades concerned should be ideologically prepared for this endeavor, concentrate efforts on fulfilling the Eighth Five-Year Plan and the 10-Year Program, and waste no time in firmly grasping an excellent opportunity to further reform and opening up at present.

Visits Nanchong Prefecture

HK1206085792 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 11 Jun 92

[Summary From Poor Reception] While inspecting Nanchong Prefecture 11 June, provincial party committee Secretary Yang Rudai stressed the need to develop modern agriculture characterized by high yield, high quality, and high efficiency.

Minister of Textile Industry Inspects Sichuan

HK1106110292 Chengdu Sichuan People's Radio
Network in Mandarin 2300 GMT 8 Jun 92

[Excerpts] A few days ago while inspecting the textile and silk industry in Nanchong, Minister of Textile Industry Wu Wenying pointed out that Nanchong, as an important silk production base, has its own marked advantages of being a young base and great potential for development. She expressed the hope that various production enterprises and organizations would seize on the present favorable opportunity to firmly grasp technical progress to readjust their product mix and improve their product quality. She also expressed the hope that they would make efforts to manufacture competitive products to satisfy market demand [passage indistinct] [passage omitted]

Wu Wenying paid close attention to the methods adopted by Nanchong for training talented personnel for textile and silk industry. She stressed: Competition in products is actually competition in technology. Competition in technology is eventually reflected in talented personnel. She called on various production enterprises to do everything possible to train more talented personnel through various channels and in various forms. This is the key to the development of the industry.

Sichuan's Yongchuan Changed From County to City

HK1206090092 Beijing RENMIN RIBAO in Chinese
6 Jun 92 p 2

[Report: "Sichuan's Yongchuan County Becomes City"]

[Text] In order to meet the needs in economic development and to expedite urban-rural integration and construction, with the approval of the State Council, the former Yongchuan County of Sichuan Province was officially changed into a city on 20 May this year. Yongchuan City is located west of Chongqing City, and has well-developed transportation and communications conditions. Yongchuan also has rich underground resources such as coal and natural gas. Since the Third Plenary Session of the 11th CPC Central Committee, the local economy has been developing very rapidly, and the gross social product has been increasing.

State Support of Greening of Tibet Noted

HK1106091592 Beijing CHINA DAILY in English
11 Jun 92 p 3

[By staff reporter Wang Rong: "Greening in Tibet Has State Support"]

[Text] Lhasa—As part of the State's efforts to improve Tibet's ecology, trees now cover nearly 4,667 hectares of once bare land along the Yarlung Zangbo River and its two tributaries, the Nyang and Lhasa rivers.

New nurseries cover about 250 hectares and provide plants for afforestation in the coming years, said Wang Zhongyuan, a project official based in Lhasa.

Started in 1990, the "One River, Two Tributaries Project" was designed primarily to improve the environment of the 167,500 hectares of land, transforming it into Tibet's major base for agriculture, animal husbandry, vegetables and light industries.

The project encompasses forestry, irrigation, water conservation, agriculture, energy, soil improvement and transportation.

It covers three prefectures through which the rivers run—Lhasa, Shannan and Xigaze. These areas are mostly over 3,500 meters above sea level, dry, lack oxygen and have frequent gales that blow sand.

Afforestation and building plant nurseries are the project's financial priorities, Wang said.

About 14 percent of the total 70 million yuan (\$12 million) investment in the whole package will go this year to tree planting and building nurseries, he said.

The goal for this year—about some 2,900 hectares of afforestation—was already accomplished this spring. The planned 160 hectares of nurseries have been built.

"We are going to keep planting trees in autumn, which will overfulfill our goal," Wang said.

Autumn planting will mostly be done in Lhasa, because the weather in Shannan and Xigaze will not be suitable, he added.

Last year, planting trees and building nurseries cost 16 percent of the year's investment. With these funds, about 1,667 hectares of trees were planted and 67 hectares of nurseries built.

It was planned that 66,000 hectares of the land should be afforested during the 10 years.

"Considering all aspects including labour force, material supply, funds and the present speed, we believe there's no problem to accomplish 60 percent of the plan," Wang said.

Depending on the different conditions of land and soil and water sources, the cost of afforesting per mu (0.067 hectare) range from 160 yuan (\$29) to 270 yuan (\$49).

Next year, the work force must increase by 20 percent to fulfill the target, Wang said. And in light of the economic benefits of afforestation, more valuable trees will be planted, he said.

Among other tasks, experts are planning to set up three desert prevention experimental areas—Gongkar Airport, Gyandang County of Xigaze, and Qushui County of Lhasa.

Strong winds and flying sand have prevented 50 take-offs and landings at the Gongkar Airport annually since 1988, resulting in losses of 3 million yuan (\$545,000).

North Region

Beijing's Chen Xitong Inspects Water Projects

OW1206134692 Beijing XINHUA Domestic Service
in Chinese 0703 GMT 12 Jun 92

[By reporter Li Feng (2621 3536)]

[Text] Beijing, 12 Jun (XINHUA)—The State Flood Control Headquarters and the Beijing City Flood Control and Drought Relief Headquarters jointly inspected flood control preparations of the Yongding He, Chaobai He, Miyun Reservoir, and Huairou Reservoir the other day. They urged the districts and counties concerned to earnestly implement a flood-control responsibility system and ensure that the capital will safely pass the high-water season. Since the high-water season began in early June, departments concerned at various levels have taken immediate action to clean up the waterways, repair dikes, test-run flood gates and water diversion facilities, and readjust reservoir water levels. They have also made ample preparations in terms of materials and personnel.

The State Flood Control Headquarters and minister of water resources are particularly concerned about the Yongding He—one of the four rivers on the list of national flood prevention priorities. Yan Ke, vice minister of water resources, said during the inspection that in spite of the the water projects that have been completed along the river, we must not lower our guard. He said that the ministry will send experts to conduct a thorough investigation along the river and devise a comprehensive plan to harness it. Beijing Mayor Chen Xitong, on the other hand, emphasized that we must not forget the lesson learned from the loss of lives and property as a result of last year's mountain torrents and landslides. We must not slacken our vigilance; we are responsible to the people and we must do a meticulous job. He also said that the Yongding He must be harnessed once and for all with great determination. Water projects should be closely integrated with economic development. In this way, we will, on the one hand, get funding for construction and provide better protection to the people's lives and property and, on the other hand, help the local people prosper.

CPPCC Members Inspect Enterprises in Beijing

OW1406005192 Beijing XINHUA Domestic Service
in Chinese 1203 GMT 13 Jun 92

[By reporters Wang Wei (3769 5588) and Li Xu (2621 3563)]

[Text] Beijing, 13 Jun (XINHUA)—Beginning on 4 June, 20 members of the National Committee of the Chinese People's Political Consultative Conference [CPPCC] carried out a 10-day inspection on Beijing City. They inspected some large and medium-sized state-run enterprises and village and town enterprises in Beijing City, visited the Beijing Cable Television Station and the Chen Jinglun Middle School, and called on farm families. They gave their impressions from the inspection this morning at an informal meeting with leaders of the Beijing Municipal Government.

The CPPCC members joyfully talked about what they personally saw and heard during their inspection. They fully affirmed Beijing City's achievements in reform and opening up to the outside world and expressed the hope that the city will take further steps to open up wider, quicken the pace of reform, and vigorously develop village and town enterprises. They also gave their opinions on water and environmental pollution and problems related to pavement and sanitation at certain outlying lanes in Beijing City, making suggestions on improving the situation.

Multifaceted Development Plan Pursued in Beijing

HK1206140792 Beijing ZHONGGUO XINWEN SHE
in English 1155 GMT 12 Jun 92

[Text] Beijing, June 12 (CNS)—In order to further enlarge opening to the outside world, Beijing has decided to carry out a multi-level and all-round development strategy with the simultaneous development of the city proper and the rural areas with equal priority given to foreign economic relations along with foreign trade in a bid to strengthen the capital's economic strength.

Taking into consideration the actual situation, the municipality is scheduled to build four different open zones in view of the different investment environments in the city proper and the rural areas.

The Yizhuan Industrial Development Zone, the New Technology Industry Development Trial Zone and its information industry base, Fengtai and Changping Scientific and Technological Park areas, all of which are leading bases for Beijing in its opening up to the outside world, will employ policies and development modes like the special economic zones, including the establishment of bonded areas, the transfer of utilization rights to land with payment, the implementation of comprehensive and coordinated reform and the concentrated development of three type foreign-funded high-tech enterprises, making the zones play a leading role to spur an economic

take-off for the municipality as a whole which features a combination of new technology, new industries and new mechanism.

A better investment environment and a strong base for foreign economic affairs possessed by the city proper will be beneficial for the use of domestic and foreign capital as well as new high-tech, to develop tertiary industry and to transform traditional industry, thereby making the city proper a centre in Beijing's openness.

Flat suburban areas have become new rising development areas in Beijing, key sites for future development and construction. Areas, especially those adjacent to express highways show greater potential and will create new strips open to the outside world. Agricultural and industrial development zones will be set up in such strips to lure domestic and foreign investment while development of three type foreign-funded enterprises will be strenuously undertaken, thus making them core areas for economic development in Beijing.

Broad mountainous areas in the city outskirts and considered the hinterland in opening to the outside world boast rich natural resources and labour sources. A number of industrial sub-zones will be built around the counties proper and big towns to widely absorb capital and talents both at home and abroad and to engage in the exploitation of resources as well as intensive processing of primary products such as cereals and oil, vegetables, fruits, livestock and forestry in a bid to make use of their competitive products in both the domestic and overseas markets.

Priority will be given to the utilization of foreign funds in Beijing's openness involving the practice of "a market in exchange for technology" to attract multi-national companies to open new high-tech enterprises here. Beijing plans to exploit new scopes for foreign capital while trying joint-ventures enterprises within tertiary industry including commerce, finance, transport, real estate, consultation service and information service.

Beijing Municipality will go further in releasing to lower levels the power to appraise and approve three type foreign-funded enterprises. The relevant departments of the municipal government and big companies shouldering part of the government's administrative functions are authorized to appraise and approve Sino-foreign joint ventured and cooperative-ventured items where investment is less than U.S.\$5 million while the Administrative Committee of the Yizhuan Industrial Development Zone is authorized to approve items where investment is under U.S.\$10 million.

Beijing Media Help Propagate Economic Knowledge

OW1206135192 Beijing XINHUA Domestic Service
in Chinese 2123 GMT 12 Jun 92

[By reporter Sun Jie (1327 2638)]

[Text] Beijing, 12 June (XINHUA)—Certain news media in the capital have opened new columns recently to educate their readers on basic knowledge about a commodity economy, such as explaining what stocks and futures trading are.

Because China has entered a new stage of reform and opening up this year, new issues about reform and certain economic undertakings also appear continuously. While people are watching closely the development of various reform and opening-up projects, they are also eager to know certain basics about a commodity economy. Certain newspapers have therefore opened new columns to satisfy their readers' needs in this area. Since May, RENMIN RIBAO has opened a special column, called "The ABC's of Commodity Economy," on its economic page to talk about stocks. Recent editions of JINGJI CANKAO BAO have prominently published several articles in a special column entitled "Serial Talks About GATT and China's Foreign Trade." From different angles, these articles expounded the major impacts that China's GATT membership would have on Chinese enterprises and the nation's foreign trade policy, as well as what countermeasures the nation should take. CANKAO XIAOXI [Reference Information], which publishes mostly news reports translated from foreign wire services, has also opened a new column about stocks. The Central People's Radio Network, in its prime-time "Economic Life" program, has also been regularly informing its listeners about commodity economy knowledge, which they want to know about.

One conspicuous characteristic of some papers' economic columns is that they encourage their readers to participate. For its special column called "How Did You Become an Investor?" JINGJI RIBAO encourages its readers to talk about their personal experiences in becoming investors. Thus, in addition to experiences, the paper also educates its readers on economics. BEIJING RIBAO's front-page special column "Questions and Answers About Reform and Opening Up" is a favorite with readers. So far the paper has published more than 60 small but very informative columns in which readers' questions about commodity economy were answered by experts.

Xing Chongzhi on Building Hebei Development Zones

SK1306043592 Shijiazhuang HEBEI RIBAO
in Chinese 17 Apr 92 p 1

[By reporter Nie Linan (5119 5259 1344): "State Economic and Technological Commission Issues Recognition Board to the Shijiazhuang New and High Technology Industrial Development Zone"]

[Excerpts] Provincial leaders Xing Chongzhi, Cheng Weigao, Ye Liansong, Li Haifeng, and Gu Erxiong came to the Shijiazhuang New and High Technology Industrial Development Zone, a zone in which people have great expectations, to handle affairs on the spot on 16 April. On behalf of the State Scientific and Technological

Commission, Zhang Chunshan, deputy director of the Torch Plan office under the State Scientific and Technological Commission, issued the recognition board of the state new and high technology industrial development zone to the Shijiazhuang New and High Technology Industrial Development Zone.

At the on-the-spot office meeting, the Shijiazhuang City Government reported on the work situation of the development zone, and the provincial scientific and technological commission and Tangshan city also respectively reported how the province as a whole and Tangshan city were building this new and high technology industrial zone. After hearing the reports, the provincial leaders expressed their opinions.

Over the past year since the State Council approved the Shijiazhuang New and High Technology Industrial Development Zone as the state new and high technology industrial development zone last 26 March, under the joint management of Hebei Province and Tangshan city, the Shijiazhuang New and High Technology Industrial Development Zone has made considerable progress in building a tangible and intangible environment, initiated a number of new and high technology enterprises and scientific and technological enterprises, and carried out a number of "Torch" Plan projects. Now, this development zone has already organized and applied 206 new and high technology projects, of which, 13 are covered by the state-level Torch Plan, 12 are covered by the provincial-level Torch Plan, 10 are covered by the development zone's plan, 30 are preparatory projects, and 141 are undertaken by enterprises with their own funds. Last year, the 122 enterprises in the zone realized 290 million yuan in total industrial output value; 220 million yuan in total technological, industrial, and trade income; 40 million yuan in profits and taxes; and \$15 million in foreign exchange revenues. Thus far, a total of 180 new and high technology enterprises and scientific and technological enterprises have been approved to enter the zone through examination, of which 40 are new and high technology enterprises approved by the provincial scientific and technological commission, and 11 products have been decided as new and high technology products by specialists. In terms of ownership system, 145 are enterprises owned by the state and collectives, 31 are private enterprises owned by individuals, and four are joint ventures involving foreign investment. This zone has also initially given rise to technology- and intellect-intensive areas, with public ownership predominating, and to new and high technology enterprise groups embracing research, development, experimentation, and production.

Baoding and Tangshan cities raised funds from various channels to build development zones. The Baoding City Government has allocated 2 million yuan of funds every year to support the construction of development zones for five years running and has raised and invested 65 million yuan of funds in development zones. Tangshan city has decided to allocate 2.5 million yuan to initiate construction of projects and has raised 40 million yuan

to invest in building development zones. Handan, Qinhuangdao, Chengde, Langfang, and Zhangjiakou cities as well as Hengshui Prefecture have all pledged to build development zones to develop new and high technology enterprises.

Governor Cheng Weigao dwelt on six opinions at the on-the-spot office meeting. [passage omitted]

Xing Chongzhi, secretary of the provincial party committee, pointed out: All levels of development zones, all professions, and all trades should pay attention to science and technology and emphasize first science and technology. Development zones should be built into the bases to specialize, commercialize, and internationalize new and high technologies, into the experimental and demonstration areas of reform and opening up, and into a source to radiate new and high technologies to conventional industries. Development of new and high technology industries plays an extremely important role in accomplishing the second-step strategic goal, and thus must be grasped conscientiously and realistically.

New Airport Planned for Hebei's Shijiazhuang

OW1306103992 Beijing XINHUA in English
0941 GMT 13 Jun 92

[Text] Shijiazhuang, June 13 (XINHUA)—Construction of the Shijiazhuang Civil Airport, the first large civil airport in north China's Hebei Province, is to start in August.

The airport, covering an area of 240 ha [hectares], is 33 km to the north of the urban area of Shijiazhuang, and close to the Beijing-Shenzhen expressway and Beijing-Guangzhou railway.

The airport is designed to take Boeing-757, A310 and other large civil planes, as well as Boeing-747-400.

The new airport is predicted to be very busy on its completion at the end of next year. An annual passenger handling capacity of 750,000 and a freight volume of 8,500 tons are expected.

Shijiazhuang, located 280 km southeast from Beijing, is the capital city of Hebei Province. In recent years its foreign economic exchanges have greatly increased, with trade relations established with over 110 countries and regions and 103 foreign-funded enterprises set up.

At present the city has a small airport, with air routes to Beijing, Qinhuangdao, Shanghai, Guangzhou, Hohhot and some other cities.

Tianjin Development Zone Attracting Investors

OW1406025692 Beijing XINHUA in English
0102 GMT 14 Jun 92

[Text] Tianjin, June 14 (XINHUA)—Tianjin economic and technological development zone is a great attraction

to foreign businessmen, according to a survey just conducted among 800 foreign commercial agencies in Beijing.

Jointly conducting [as received] by investment market research center of Chinese Research Institute of Management and Tianjin economic and technological development zone, the survey indicates that more than 42.8 percent of the foreign businessmen intend to invest in Tianjin development zone. The percentage is apparently higher than investment intention in China's other cities.

The focus of the intended foreign investment is transportation, an industry without foreign investment so far in the development zone. Overseas investors also show great interest in real estate, consultancies, tourism, accounting, commerce and warehouse.

Foreign businessmen also intend to put investment on real estate, consultation, tourism, accounting, commercial storage, finance, insurance and some other service trades.

Tianjin development zone has been established for seven years. Its unique developing style, improved investment environment and superior geographical position have been attracting more and more overseas investors.

Since the beginning of this year, a great number of foreign businessmen came to the development zone for investment feasibility study. By the end of last May, more than 2,000 overseas businessmen made investigation tours in Tianjin development zone. The Japanese businessmen accounted for one-fifth of the total number. Some big companies from the United States such as Heinz Company, Coca-Cola Company, Kodak Company, Citi Bank and some other companies made investment investigation in the development zone as well.

Up to now, the second phase of construction of infrastructure projects on 1.8 square kilometers of land have been completed.

The development zone plans to make better preparations for the investors based on the survey.

Li Lanqing on Cross-Strait Trade, Economic Ties
HK1206092092 Beijing GUOJI SHANGBAO in Chinese
24 May 92 p 1

[Article by Liu Xiaodong (0491 1420 0392): "Li Lanqing Interviewed by GUOJI SHANGBAO Reporter on Cross-Strait Trade, Economic Ties"]

[Text] On 20 May, Li Lanqing, minister of foreign economic relations and trade, answered questions raised by this reporter on the development as well as current state of cross-strait economic and trade ties.

[Liu Xiaodong] Minister Li, can you please speak on the current state of cross-strait economic and trade development?

[Li Lanqing] The volume of indirect cross-strait trade in 1991 reached a record high of \$5.8 billion or 43.3 percent higher than the previous year. Investments in the mainland by our Taiwan compatriots also grew substantially, with more than 1,700 newly approved investments worth \$1.4 billion in contract value reported last year. At the end of 1991, the mainland approved an aggregate of 3,800 Taiwan-funded enterprises with a contract value of \$3.4 billion. The excellent momentum for growth continues unabated this year and a new mania is expected to appear. However, the investors at this stage are still basically small and medium enterprises. I hope that more Taiwan-funded enterprises, including big and medium enterprises, will come to invest and work with the mainland in the future. This is beneficial to the two sides. There is still a lot of potential in this area.

[Liu] Can you please talk about the principle adopted by the Ministry of Foreign Economic Relations and Trade in promoting cross-strait trade and economic ties?

[Li] Last July, our ministry issued five principles designed to promote cross-strait trade and economic ties, namely: Direct and two-way flow, mutual interest and mutual benefit, variety in form, long term stability, and emphasis on commitments and trustworthiness. They were drawn up based on the experience summed up from a decade of cross-strait economic and trade exchanges and in line with the current state of cross-strait exchanges.

[Liu] Can you expound briefly on these five principles?

[Li] The five principles mainly elaborate three levels of definition: 1) Direct and two-way flow. 2) Mutual interest and mutual benefit. 3) Emphasis on commitments and trustworthiness. This is our suggestion and constitutes the basis for negotiations to promote cross-strait economic and trade exchanges further; it is not forcibly imposed on others by one side. Cross-strait economic and trade exchanges are beneficial to the nation and their achievements can last for centuries.

[Liu] Can you tell the readers about the concept and plans to develop cross-strait economic and trade exchanges in the short term period?

[Li] First, on our part, the first step is to improve the investment climate further, such as:

1. Further perfect the laws and regulations concerning the absorption of investments by our Taiwan compatriots.
2. Further improve the soft climate to absorb Taiwan capital.
3. Further perfect the industrial policy concerning absorption of Taiwan capital and expand the areas open to Taiwan capital.
4. Further expand cross-strait trade and promote direct exchanges and, simultaneously with the expansion of imports from Taiwan, expand as well as step up exports to Taiwan.
5. Devise and amend as soon as possible the methods of supervising the mainland's trade with Taiwan in order to standardize bilateral trade further.
6. Further step up cross-strait nongovernmental economic and trade exchanges and academic discussions, and initiate cooperation in areas like transport, advertising, and labor contracts.

At the same time, I would also like to speak about a three-step concept to promote cross-strait economic and trade relations. The first step is "direct links for postal, air, and shipping services and trade." I have noted that increasingly more people in Taiwan are clamoring for the opening of "direct links" and the demands are getting stronger and stronger. These demands are very rational. I hope that the Taiwan authorities will abide by the people's aspirations and resolve the issue as soon as possible. Once the "direct links for postal, air, and shipping services and trade" are realized, they will not only be immensely beneficial to the development of economic and trade ties, but will also bolster understanding and trust, and provide another impetus to cross-strait cooperation and relations. The second step is: Once China regains its membership with the General Agreement on Trade and Tariffs [GATT], we can agree to Taiwan joining the GATT as a separate tariff zone of China. This will not only be advantageous to the further development of international and bilateral trade by the two sides, but will also provide a channel for exchanges, contacts, and stronger cooperation between the two sides. Naturally, it does not matter which of the so-called first and second steps come first. The third step is to study the manner in which the two sides can step up economic and trade cooperation. I have noted the different formulas raised by Taiwan people over the years on how to bolster cross-strait economic and trade cooperation. In terms of principle, there is no question about boosting further cross-strait economic and trade cooperation. We do so with foreigners, so what more with our own compatriots? Hence, I believe that this question can and should be discussed. However, since the "direct links for postal, air, and shipping services and trade" has yet to be realized, how can one begin to discuss the other issues? I hope that the Taiwan compatriots and Taiwan authorities will understand my views and suggestions.

Commentary Urges Taiwan To Open 'Three Links'

OW1306160092 Beijing Central People's Radio
in Mandarin to Taiwan 2200 GMT 12 Jun 92

[Commentary by station reporter Wang Huiqin: "Ear-nest Advice Is Worth a Thousand Taels of Gold"; from the "News and Current Events" program]

[Text] Speaking at a 7 June news conference about his impressions of the mainland, Mr. Chao Yao-tong, a Taiwanese economist who recently returned to Taipei from a trip to the mainland, pointed out that the mainland's economic reform has significantly improved the people's standard of living, and the advantages for the Taiwanese to invest in the mainland outweigh the disadvantages. Mr. Chao Yao-tong also pointed out that those persons formulating the mainland policy have underestimated the mainland's economic growth potential, and as such he urged Taiwan authorities to take immediate action to make amendments in order to readjust the mainland policy.

The words of this economic expert are candid, to the point, truthful, and worth pondering by the Taiwan authorities. In recent years, Taiwan's mainland policy has been increasingly lagging behind the development of cross-straits relations, and a deficiency in the economic and trade policy is particularly acute. According to statistics, the volume of cross-straits trade via Hong Kong topped \$5.8 billion in 1991; some say that a nonconservative estimate would put the figure at \$8 billion. This figure is about 5 times that of 1985 and 80 times more than 1979. As of the end of February, there were 3,000 Taiwan-invested projects with a total investment of \$3 billion. The hefty growth in investment has created new changes; the variety of investment, scale of investment, and technical level of investment have all expanded; Taiwan investment sites are spreading from coastal areas to the hinterland; the duration of investment projects is prolonged; and some projects are taking root in the mainland for good.

Following the hastening this spring of the pace of reform and opening up to the outside world, Taiwanese investors have caught another wave of "mainland investment fever." It is worth noting that high ranking executives of

economic and trade circles, of large trading groups, and of major industrial and commercial associations are readying themselves to establish a foothold on the mainland. Some describe the situation as "let's hold hands and go to the mainland in a group; let's go to where the bright lights are." A Hong Kong magazine pointed out: Quantitative changes have led to qualitative changes; cross-straits relations have been in a phase of qualitative change since the beginning of 1992. When cross-straits exchanges increased, the issues and benefits involved naturally became more complicated and enormous, the framework of indirect trade could no longer stand up, and a more sophisticated investment protection agreement was needed. The magazine also held that the current new wave of mainland fever has turned into a social force, and that the requests raised are all about key sensitive issues—which include the call for "three links" [postal, trade, and transport links].

Taiwan's prominent industrialist Mr. Wang Yong-ching sharply warned that Taiwan-mainland relations have reached a crossroads, and this signifies that the Taiwan authorities can no longer delay making amendments to the mainland policy. Unfortunately, despite the urgent calls of Taiwan's investors and media, the ruling Taiwan authorities not only upheld the old policy of indirect unilateral non-government exchanges, but also repeatedly vowed to reduce the "temperature" of "mainland fever"; they attempted to use administrative orders to turn the economic pattern around and resorted to iron-fist tactics to ban the "three links." However, the situation today is very different from before, particularly since time has proven that the method which has previously failed would not be of any use if applied again today. Granted man-made obstacles may be useful for a while, but their effects would not last for long.

Our forefathers said: "The Ming emperor heeds good advice even though it jars on the ear [word indistinct]." If the leading Taiwan authorities were to be truly concerned about the 20 million people on the island, as well as the overall well being of the Chinese nationality, they would not refuse to see the truth in the face of much earnest advice. Today the key to cross-strait relations is the "three links." If the Taiwan authorities can take a step forward, it will be a big breakthrough in reunification as well as a major meritorious deed of the ruling Taiwan authorities.

Official on Refusal To Import Rice From U.S.

OW1306043192 Taipei Voice of Free China
in English 0200 GMT 11 Jun 92

[From the "News and Commentary" program]

[Text] A ranking official with the Council of Agriculture said Wednesday the ROC [Republic of China] will not comply with the U.S. request to permit rice imports as it is unilateral and runs counter to provisions of the General Agreement on Tariffs and Trade [GATT].

The officer pointed out: The ROC will naturally scale down restrictions against agricultural imports after its admission to GATT. The U.S. is bound to invite international repercussions if it chooses to invoke trade sanctions based on the Super 301 provision of its trade law in a bid to pry open the markets of Asian countries that enjoy trade surpluses with America, the official added.

The U.S. House Trade Sub-Committee on Tuesday passed a trade bill that could be used by the U.S. Administration as a tool to negotiate market opening agreements with countries having trade surpluses with the United States, including Taiwan. The bill, the Trade Expansion Act of 1992, would extend for five years the 301 provision of the 1988 Trade Law, which expired in 1990.

Editorial Supports Reduced U.S. Presence Abroad

OW1206152992 Taipei CNA in English 1403 GMT
12 Jun 92

[Editorial from 12 June EXPRESS NEWS, evening daily published by CNA: "U.S. Military Presence"]

[Text] Taipei, June 12 (CNA)—The Pentagon will end or cut operations at 61 sites in Europe and two in South Korea in a continuing deep reduction of America's armed presence abroad. That is the right step to take in the post-Cold War world.

As a matter of fact, the United States will have to keep on reducing its military presence around the world, now that the Soviet threat has been totally removed. There is no more need for America as the policeman of the world.

Washington need not worry about any power vacuum the phasing out of the American military presence may create. If there is, democratic regional powers are more than willing to fill it. For instance, Germany and France are ready to form a joint army to help keep peace in Europe.

North Korea is in no position to start trouble. Pyongyang needs peace in the power transition from Kim Il-song to his son. So does Peking. Mainland China may continue to modernize its People's Liberation Army, but the fact remains that Deng Xiaoping has his hands full trying to keep his economic house in order.

One possibility exists. The United States may face a competing power or alliance of countries, bolstered by surging economic strength in Germany or Japan. That power or alliance could eventually express rivalry with the United States through military competition.

That does not matter. Gone are the days of superpowers. The United States has no reason whatsoever for preventing the emergence of a potential future global competitor. The Pax Americana is over, and international competition will arise.

And the United States should welcome such competition. Competitors will have to share the burden of policing the world. Defense spending will cease to be a hemorrhagic drain on Washington's coffers.

We believe the United States will further slash military operations overseas and channel the savings to investment in the country's economic future.

Bank Governor To Attend International Meeting

OW1206091792 Taipei CNA in English 0759 GMT
12 Jun 92

[Text] Taipei, June 12 (CNA)—Governor Samuel Shieh of the Central Bank of China (CBC) is leaving Friday afternoon for Switzerland to attend the annual meeting of the Bank for International Settlements (BIS).

Shieh was invited to the meeting as a guest of honor. The CBC is not a BIS member.

Established in Basel, Switzerland, in 1930, the BIS is now the world's financial research center. It has the central banks of the United States, Canada, Japan, and European countries as members.

The governor is scheduled to return to Taipei on June 21.

Nation To Adjust Cross-Straits Trade Policy

OW1206085692 Taipei CNA in English 0807 GMT
12 Jun 92

[Text] Taipei, June 12 (CNA)—The government will adjust its mainland trade policy to cope with changing economic climate on both sides of the Taiwan Straits, Economic Affairs Minister Hsiao Wan-chang said Thursday.

The Ministry of Economic Affairs has decided to sponsor a series of workshops on cross-straits commercial ties between late June and mid-July, Hsiao reported.

"The 13 planned seminars will bring together bureaucrats, academics and business executives to ponder new strategies to ensure orderly development of cross-straits economic relations," the minister explained.

Cross-straits trade and investment have grown rapidly in recent years. In the past, Hsiao said, cross-straits investors were mostly small- and medium-sized businesses.

The investment amount and operational scale of Taiwan-invested ventures on the mainland were relatively small.

But the trend has gradually changed, Hsiao noted. Many large local enterprises, including those in such strategic industries as automobile, computer and telecommunications, have expressed strong interest in launching cross-straits ventures.

Some of noted business conglomerates have drawn up detailed cross-straits investment plans based on a "vertical division of labor" strategy to sharpen their competitiveness and expand market shares, Hsiao said.

He pointed out that Peking's recent offer to allow Taiwan-invested ventures to sell their products on mainland markets is likely to spark a new wave of cross-straits investments.

"Faced with these new challenges," Hsiao said, "we need to review our mainland investment policy and make timely adjustments for overall national interests."

At present, the government allows indirect imports of 250 categories of mainland raw materials, and local companies can indirectly invest on the mainland for the manufacture of 3,737 kinds of merchandise.

Hsiao said the ministry may ease restrictions on cross-straits trade and investment to facilitate freer flow of goods and capital between the two Chinese economies.

"The relaxation, however, must be carried out in a 'planned, gradual and orderly' manner," the minister stressed.

"Instead of strictly forbidding cross-straits commercial exchanges," Hsiao said, "the government will hereafter do its best to guide such exchanges in the right direction."

He revealed that several famous multinational business conglomerates are planning to set up "regional operation centers" in Taiwan as part of their efforts to tap Mainland Chinese and Southeast Asian markets.

"With rich capital, well-trained manpower and favorable geographical position," Hsiao said, "Taiwan has good potential to become a hub of regional operations for multinational corporations."

He suggested that local companies cooperate with multinational business groups in launching cross-straits ventures in order to minimize their risks.

Service Industries' Investment on Mainland Okayed

*OW1206091892 Taipei CNA in English 0757 GMT
12 Jun 92*

[Text] Taipei, June 12 (CNA)—About 150 kinds of service businesses in Taiwan will be allowed by the end of this month to make investments in Mainland China.

It was a decision reached yesterday at a meeting the Mainland Affairs Council (MAC) held with the Ministry of Economic Affairs, the Ministry of Transportation and Communications, and the Government Information Office.

The plan to open the door for the service sector to make inroads into the mainland market will be finalized at an MAC monthly meeting at the end of the month, MAC Vice Chairman Ma Ying-jeou said.

It was decided at Thursday's meeting that 155 kinds of service businesses in retail, wholesale, and publication will be allowed to make indirect investments on the mainland in the initial stage. Those in transportation, banking and insurance may follow suit when the time is ripe to do so.

Ma stressed however that this does not mean other service-related industries will get the same treatment. So far the government has allowed domestic manufacturers to produce 3,737 items of goods on the mainland.

The MAC vice chairman urged other government agencies concerned to provide the service industries with enough information and assistance to facilitate their business development on the mainland.

Government Urged To Devise New Mainland Policies

*OW0906112492 Taipei CNA in English 0805 GMT
9 Jun 92*

[Text] Taipei, June 9 (CNA)—Chao Yao-tung, a national policy adviser to the president, Monday urged the government, academic and business sectors to join forces to map out new mainland policies to facilitate cross-strait economic cooperation.

Chao, a former economic affairs minister, made the call at a news conference following his return from a 26-day visit to Mainland China to study the feasibility of technical exchanges and economic cooperation between the two sides of the Taiwan Strait.

The veteran economic strategist pointed out that economic reforms have gained momentum on the mainland and won't be halted easily in the future as mainland officials and civilians now share the view that only through economic reforms can their living standards be upgraded.

"Given changing economic climate on the mainland," Chao said, "it is imperative for us to hammer out new mainland policies that can better promote cross-strait economic relations." Complementary exchanges will benefit both Taiwan and the mainland, he noted.

Chao left for the mainland May 12 in his private capacity as an adviser to the Chunghua Institute for Economic Research. While there, Chao met with several senior mainland officials and toured such major industrial cities as Peking, Shanghai, Shenyang, Xiamen and Guangzhou.

Chao observed that Mainland China outpaces Taiwan in many high-technology fields, aerospace, machinery and heavy-duty electrical industries in particular. The number of Mainland Chinese high-tech research personnel far exceeds 300,000 at the moment.

He suggested that the government help Taiwan companies forge technical cooperative ties with the mainland. Otherwise, he said, Mainland China's advanced technical know-how may soon be bought up by South Korean and Japanese corporations at low prices.

Chao reported that mainland authorities still welcome Taiwan investments in manufacturing and other economic sectors, and offer many incentives to entice Taiwan investors.

During his stay on the mainland, Chao visited a number of Taiwan-invested ventures in Xiamen and Guangzhou. Chao said he found that more than 95 percent of cross-strait investors have kept their business roots in Taiwan.

"Most of our investors, for instance, have kept their research and product design departments at home, and materials and accessories needed at their mainland factories are imported from Taiwan," Chao said.

Therefore, Chao concluded that worries over a possible hollowing out of local industries as a result of increasing cross-strait investments is "far less than justifiable."

With labor costs rising here, Chao said, it is natural that more and more local manufacturers will move their labor-intensive production lines to the mainland where labor force is abundant and relatively cheap.

Chao urged cross-strait investors to abandon their present practices of fighting single-handedly and avoid cutthroat competition. He also suggested Taiwan investors drop their current "hit-and-run" strategy and work out comprehensive plans to tap the potentially profitable mainland markets.

Chao said he expects to meet President Li Teng-hui and Premier Hao Po-tsun in the next few days to brief them on his findings and offer some suggestions concerning new mainland policies.

Academia Sinica President Returns From Mainland
OW1206090392 Taipei CNA in English 0745 GMT
12 Jun 92

[Text] Taipei, June 12 (CNA)—Academia Sinica President Wu Ta-yu, finishing a 26-day visit to Mainland China, returned to Taiwan Thursday. A somewhat fatigued Wu told the press that he had seen the high-technology development on the mainland which Taiwan can hardly catch up with. He hopes that both sides of the Taiwan Straits will beef up sci-tech cooperation. He said he will make a detailed report on his observations of the mainland to President Li Teng-hui soon.

The senior academic leader said many self-boasting people on Taiwan have been talking about upgrading sci-tech levels but such talks have remained empty. Seven mainland scientists are visiting Taiwan at Wu's invitation. He said he will try to be a good host during their remaining stay here.

KMT Vows To Overturn Revision of Security Law
OW1206090692 Taipei CNA in English 0752 GMT
12 Jun 92

[Text] Taipei, June 12 (CNA)—Kuomintang [KMT] vowed Thursday to overturn the revision of an important bill by a Legislative Yuan joint committee meeting.

Five KMT legislators lost ground in a battle with six Democratic Progressive Party [DPP] lawmakers during the first reading of the revised National Security Law.

With the DPP dominating, the joint meeting of the Yuan's interior, national defense and judicial committees approved the draft revision proposed by DPP legislator Chen Shui-pien. The meeting was chaired by DPP's Chang Chun-hsiung.

Chen's proposed revision included the deletion of "three principles" from the law—punishing those acting constitutionally, advocating communism, or calling for dividing the national territory.

Deputy Director Liu Peng-chun of the Bureau of Entry and Exit said if the revision becomes law, it will bring "great disasters" to the country because there will be no provision to govern the entry of violent terrorists and communist agents.

KMT leadership was angry that so many of its lawmakers were absent from the important meeting.

KMT Secretary General Sung Chu-yu was "very much dissatisfied" with the matter, according to a four-point statement issued by the KMT.

The ruling party "strongly protested" the DPP legislators' disregard of meeting rules, pledging that it will overturn the decision during the second-reading session on the legislative floor.

Five State-Run Firms To Go Private in 3 Years
OW1206090492 Taipei CNA in English 0748 GMT
12 Jun 92

[Text] Taipei, June 12 (CNA)—Five state-run enterprises, including China Steel Corp., will go private in one to three years, Economic Affairs Minister Hsiao Wan-chang said Thursday. Hsiao made the remarks at the Legislative Yuan in reply to an interpellation by legislator Yu Cheng-hsien who asked about a timetable for the privatization of state-run businesses. The five companies are BES Engineering Agency, China Petrochemical Development Corp., China Shipbuilding Corp., Taiwan Machinery Manufacturing Corp., and China Steel Corp., Hsiao said.

Hong Kong

Li Peng, Major Agree to 'Urgent' Airport Talks

HK1406060892 Hong Kong SOUTH CHINA
SUNDAY MORNING POST in English 14 Jun 92
pp 1, 2

[By David Healy in London and political correspondent
Danny Gittings]

[Text] Urgent top-level talks are to be arranged between Britain and China within the next few days, in a move being seen in London as a breakthrough in the airport dispute.

The talks were agreed between British Prime Minister Mr John Major and Chinese Prime Minister Mr Li Peng when they met at the Earth Summit in Rio de Janeiro early yesterday (Hong Kong time).

A Downing Street spokesman last night confirmed the two prime ministers had agreed on urgent airport talks during their 70-minute meeting.

It was being suggested in London last night the front runner to lead the British side was the Minister with special responsibility for Hong Kong, Mr Alastair Goodlad, and that the pressure to resolve the dispute stemmed from the need to clear the decks before the arrival of new Governor Mr Chris Patten.

Mr Major had sought to reassure Mr Li on the financing of the airport, and that Britain would not leave Hong Kong's reserves depleted in 1997.

A prime ministerial spokesman said after the talks: "We did reassure them to some extent, but they need more reassurance. This is what Britain plans the new round of talks will achieve."

Another source said the Chinese premier was keen to solve the airport problem. "The will is there," he said.

Officials of the two governments will immediately begin work on arrangements for the talks.

Head of the Foreign Office's Hong Kong department Mr Peter Ricketts is expected to help organise the new talks, after Downing Street took the unusual step of asking him to join Mr Major's team in Rio.

But it has not yet been decided at what level the talks will be held.

"All this is top priority for a decision this week," a Downing Street spokesman said. "No decision has been taken on whether they will be in London or Beijing." Talks in both capitals are also a possibility.

British Government sources believe the Chinese Government is keen to settle the issue.

Hong Kong legislators last night split along party lines over news of the talks, with conservative councillors

welcoming the chance to break the deadlock, while liberals expressed fears Hong Kong would be kept out of the talks.

Both prime ministers agreed the aim of the talks should be an agreement before the end of this month.

There is a desire on both sides, according to London sources, for a new deal on Hong Kong to coincide with the arrival of Mr Patten as Governor.

Mr Major assured Mr Li that Mr Patten was "a close personal and political friend of mine" and could speak with the full authority of the British Government.

News of the talks came as a senior mainland official yesterday denied reports that Beijing had asked Britain to guarantee more reserves in 1997 than the \$25 billion [Hong Kong dollars] laid down in last year's airport accord.

"China hasn't asked for more," said Joint Liaison Group (JLG) Airport Committee member Mr Luo Jiahuan, as he arrived in Beijing for this week's JLG meeting.

But he also expressed fears that the project's \$112.2-billion price tag could escalate further, while a sharply worded editorial yesterday in Hong Kong's WEN WEI PO newspaper warned spiralling costs were frightening away private investors.

"High costs will lead to a problem of return, so it is difficult to attract private investment," the leftist mouth-piece said.

"When will the Hong Kong Government stop playing those number games with the new airport financial arrangements?"

Accusing the administration of "ignoring the facts", WEN WEI PO revealed the administration last Wednesday [10 June] gave Beijing two new documents on airport costs, but insisted these failed to answer the concerns of the Chinese side.

WEN WEI PO warned yesterday rising costs were eroding the attractiveness of the project to the private sector.

The newspaper also attacked the Government for including loans by the MTRC [Mass Transit Railroad Corporation] and the Airport Authority in its new figures for private investment.

"As the above companies are supported by the Hong Kong Government, if the two companies borrow money, it means the Hong Kong Government is borrowing money indirectly, and it is not a private investment," it said.

Co-operative Resources Centre (CRC) legislators—who today travel to Beijing for talks on issues including the airport—last night welcomed news of plans for Sino-British discussions.

"Meeting at a higher level may help things move faster," said CRC airport working group member Mr Gilbert Leung Kam-ho.

"It seems like the Hong Kong Government can't make a decision on their own over this."

But the airport spokesman for the United Democrats, Mr Albert Chan Wai-yip, expressed fears Britain would make concessions over Hong Kong's head, and insisted Legco [Legislative Council] be brought in.

"There is a Memorandum of Understanding over the airport already," he said. "Any discussions should be based on it and Legco must be consulted before the British side reaches any agreement with the Chinese."

Other legislators disputed the need for Legco to be directly involved. "We're not necessarily aware of all the details," said CRC member Mr Ronald Arculli. "This must be a matter for the Government."

And legislator Mr Martin Barrow said new talks were necessary to break the deadlock. "Whatever level they are at, the important thing is that we get on with it," he said.

The Foreign Office is understood to believe the controversy over Mr Goodlad's recent remarks on amending the Basic Law will not pose any obstacle to him leading the talks.

Sources insisted Whitehall did not believe his comments had caused any kind of setback to relations with Beijing over the territory.

Paper Criticizes New Airport Budget

HK1406073592 Hong Kong WEN WEI PO in Chinese
13 Jun 92 p 7

["Letter From Readers" column by Ni Tse (0242 3419):
"Game of Figures That Perpetrates a Fraud"]

[Text] On the issue of the new airport project's financial arrangements, the Hong Kong Government continued its usual practice of juggling with figures. After the Chinese side raised three major issues concerning the financial arrangements, the Hong Kong Government could only publish two "latest documents" on the issue on 10 June. However, these two documents did not provide anything substantially pertinent to the three questions raised by the Chinese side. On the contrary, they just repeated and gave more obvious expression to the Hong Kong Government's constant practice of increasing costs, being inert in attracting private investment, and contracting large debts.

In the aspect of enlarging costs, the Hong Kong Government announced in July last year that the costs of the 10 key projects would be HK\$98.6 billion; however, in March this year, the figure rose sharply to HK\$112.2 billion, an increase of 13.8 percent. Last month, at the annual meeting of the Asian Development Bank, a Hong

Kong Government official indicated that the costs may reach as high as HK\$176.1 billion. The Hong Kong Government later denied that the cost of the new airport will reach HK\$170 billion. However, with the sound of the denial ringing in the ears of people in Hong Kong, the Hong Kong Government recently announced that the latest figure of the airport costs was HK\$175.3 billion, which was even HK\$5.3 billion higher than the figure revealed at the meeting of the Asian Development Bank. When facing the continuously soaring costs, some Hong Kong Government officials still firmly claimed that "the costs did not rise by a big margin," and "different figures were just the results of different calculation methods." Such behavior of disregarding facts has long been denounced by people in Hong Kong as "telling a bare-faced lie." After the Chinese side raised three major requirements, (Ousibo) [2962 2448 0590], spokesman for the British Foreign Office in Hong Kong, said when asked by reporters on the evening of 10 June that up to that night, "the British side absolutely had nothing unanswered to deal with." The first question raised by the Chinese side was how to control the scale of the project. However, the enlarged scale of the project has led to a sharp increase in the costs of the new airport to HK\$175.3 billion, which marks an increase of nearly 80 percent as compared with the amount of HK\$98.6 billion announced in July last year. In a period of less than one year, the costs rose so sharply. How could this prove that the issue of controlling the project's scale had been solved? Was the question about controlling the scale of the project answered with some sharply increasing cost estimates? Moreover, the amount of HK\$175.3 billion is still not the final figure for the costs of the airport. Who can guarantee that the Hong Kong Government will not further raise the construction costs by cooking up various pretexts?

If the costs are too high, there will certainly be problems in the economic efficiency of the project, and this will make it hard to attract private investment. On the issue of how to increase private investment, the latest documents published by the Hong Kong Government used a "new" ploy of "stealing the beams and pillars and replacing them with rotten timber," if they provided anything "new." The Hong Kong Government documents said that private investment reached 54 percent, but they also showed that debts contracted by the Airport Authority and the Mass Transit Railway Corporation amounted to HK\$73 billion, or accounted for 41.6 percent. After the amount of the loans is deducted, private investment only accounts for 12.4 percent. There exists a great difference between the two percentage figures, namely, 54 percent and 12.4 percent. How can they be confused with the small one being substituted by the big one? The Hong Kong Government in fact offers 100 percent guarantee for the debts contracted by the two corporations totally owned by the Hong Kong Government. When the two corporations contracted large debts, the Hong Kong Government also indirectly contracted all of those debts. Such debts do not represent private investment. How could these two things of

absolutely different characters be lumped together? Some projects in the construction of the new airport did not include any private investment. How will the Hong Kong Government change this state of affairs? According to the Hong Kong Government document, only 12 percent of the total investment will come from the private sector, and the proportion is indeed too low. How could the Hong Kong Government reply to the Chinese side's question about increasing private investment? The Hong Kong Government just tries to juggle with figures in a misleading way. Contracting debts with government guarantees is absolutely different from private investment. How could this hoodwink people?

By sharply raising construction cost of the new airport, the Hong Kong Government has already sown the seeds of poor economic efficiency in the project. However, it still talks a lot about the lucrativeness of the airport project by dodging the unfavorable factors. The construction cost of the airport will eventually be borne by the consumers. The figures of returns yielded by the new airport announced by the Hong Kong Government were basically the result of substantial increases in various fees and charges. For example, the new landing charge will be three times as much as the old by 1997, and a new airport building fee will be charged. Moreover, the departure taxes and the land returns which should be transferred to the treasury and be included in the income of the future Special Administrative Region [SAR] government were transferred to the Airport Authority. This was another obvious ploy of showing some sham figures. How can the returns of the new airport be presented in this misleading way? Moreover, the method of increasing charges and imposing fees will reduce Hong Kong to an unfavorable position in the international competition in the air transport industry. At that time, the airports in Macao and Shenzhen may attract some passengers from Hong Kong. If the number of passengers using the airport decreases, how can the economic returns be guaranteed?

The Hong Kong government's trick of juggling with figures is also found in its behavior of only stressing the Chek Lap Kok Airport's returns and not mentioning the economic results of the backup projects. For example, the Hong Kong Government talked a lot about the 14.6 percent of long-term returns rate of the Chek Lap Kok Airport (this is the result of including such factors as increasing charges, imposing new fees, and transferring the airport income to the treasury and to the SAR Government as mentioned above), but evaded the fact that the returns rate of such projects as the airport railway will be as low as less than 2 percent in the 40 years after it is completed. How can the returns yielded by the Chek Lap Kok Airport represent the economic results of the "rose garden" project as a whole? This shows that the Hong Kong Government's misleading trick also includes the ploy of using the partial situation to cover up the overall situation.

How long will the Hong Kong Government continue to juggle with figures? Does this show its sincerity in solving issues?

Deng Xiaoping 'Unhappy' About Airport Projects

HK1306040892 Hong Kong CHING CHI JIH PAO
in Chinese 13 Jun 92 p 1

[Dispatch: "Deng Xiaoping Reportedly Unhappy About Most Hong Kong New Airport Projects Going to British Firms"]

[Text] This newspaper has learned from Beijing that on the issue of Hong Kong's new airport, Deng Xiaoping pointed out recently that it was unfair for most of the new airport projects to be monopolized by British firms. However, Deng wished that Hong Kong people, rather than Chinese firms, should have more involvement in the projects.

The source also pointed out: Deng Xiaoping, when speaking of the new airport earlier this year, said that tenders for the projects should be made in fair competition. The money should not be completely earned by the trusted firms on the British side. Although Chinese firms have the technical level for the relevant projects, it is not good for them to be too involved in the projects because, perhaps, it will be unacceptable to the Hong Kong people and dampen their confidence. Deng has high hopes that the Hong Kong people will have a greater share in the new airport projects to reflect "Hong Kong being ruled by the Hong Kong people."

It is reported that so far, Chinese firms have not been engaged in many new airport projects, while British firms have obtained a lot of advisory contracts on the key projects.

Li Tieying, Polytechnic Group Discuss Education

OW1106083292 Beijing XINHUA in English
0733 GMT 11 Jun 92

[Text] Beijing, June 11 (XINHUA)—Li Tieying, Chinese state councillor and minister in charge of the State Education Commission, met with a delegation from the Hong Kong Polytechnic at the Great Hall of the People here this morning.

They exchanged views on the educational cooperation between the Chinese Mainland and Hong Kong.

The delegation, led by President of the Polytechnic C.K. Poon, arrived here June 9 as guests of the State Education Commission.

Party Warns Against Extending UK Secrets Act

HK1106095092 Hong Kong SOUTH CHINA
MORNING POST in English 11 Jun 92 pp 1, 2

[By Jeremy Lau and Connie Law]

[Text] Extending Britain's Official Secrets Act 1989 to Hong Kong would jeopardise the autonomy of the territory, the United Democrats of Hong Kong (UDHK) warned yesterday.

The UDHK's security spokesman Mr James To Kun-sun said the Government's decision to relax its secrets act by bringing it in line with the 1989 British counterpart represented a setback to the principle of the Sino-British Joint Declaration on Hong Kong.

"These essence of the Joint Declaration is that Hong Kong should have autonomy over all its own internal affairs, yet the British Government has infringed upon this autonomy by imposing its law on a matter which should be entirely for Hong Kong to decide," he said.

Mr To said the move also went against the principles of the Hong Kong Act of 1985, which allows Hong Kong to enact local versions of British laws applicable to the territory.

"Now the British Government has done exactly the opposite by extending a British act to Hong Kong for the first time since 1985, except for the British Nationality (Hong Kong) Act.

"The Government has offered little explanation of why it has chosen to take such a retrogressive step at a time when Hong Kong should be intensifying the localization of its laws," he said.

The UDHK also regretted that the extension of the act, by order of the Privy Council, would strip the Legislative Council [Legco] of its law-making responsibilities.

He said Britain had denied Legco the opportunity of making amendments to ensure that the act was suitable for Hong Kong.

Mr To said the UDHK were also concerned that the act would not be subject to the protection of the Bill of Rights in Hong Kong.

"It is particularly ironic at a time when the freeze period has just expired that the Government is in effect putting a permanent freeze on an important law that could well be in violation of the Bill of Rights," he said.

Meanwhile a senior law lecturer at Hong Kong University, Mr Johannes Chan Man-mun, described the government move as "short-sighted" as the act would be unenforceable after 1997.

He said Hong Kong needed a law of its own to protect official secrets sooner or later, and the Government was "dragging its feet".

Mr Chan dismissed claim that consultation with the Chinese Government was needed if the act was to be localized.

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